NON-FINANCIAL REPORT 2023

Non-financial report of Wielton S.A. and the Wielton Group for 2023

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Our priority
is sustainable
development,
responsible
eco policy
& safer future.

Dear Sirs or Madams,

I am pleased to present you with the non-financial report of the Wielton Group for 2023, summarising the Group's sustainability efforts.

We are aware of the need to take action towards reducing the impact of the automotive and transport industry on climate change. As one of the three largest manufacturers of semi-trailers and trailers in the European market, we place an emphasis on the development of low-carbon technologies and continue to implement innovative projects that respond to environmental and climate risks. Owing to state-of-the-art technologies implemented in our production facilities, we have reduced the material intensity of production, thereby reducing the use of natural resources. We continuously work on new design solutions to reduce the greenhouse gas emissions associated with the operation of our trailers and semi-trailers, including by reducing the weight of the vehicles and solutions to reduce the aerodynamic drag of the vehicle combination.

We also pay great attention to the issue of due diligence in business to ensure that the activities of the Group and its suppliers are in line with both our values and international principles on business ethics, including respect for human rights. In 2023, we have successfully continued to develop solutions aimed at improving the safety of production processes, also incorporating suggestions from our employees in the process.

For years, we have been committed to supporting local communities. We support young talent among Polish pupils, students and doctoral students, cooperating with secondary schools and universities, where we co-create profiled vocational training classes taught according to a proprietary syllabus and major-oriented specialisations.

The report presents information on the risks associated with the Group's operations and the solutions we have implemented to mitigate them, as well as non-financial key performance indicators (KPIs).

In addition, we published Wielton Group's new strategy for 2023-2027 in October 2023. The strategy aims to continue the Group's ambitious growth and is built around three trends: personalisation, digitalisation and sustainability. For years, our mission has been to create and deliver the best transport solutions for business. We want to pursue our mission in a responsible manner, taking into account the impact our activities have on the environment, our employees, counterparties and local communities. This report describes the measures we have taken in this area in 2023.

You are welcome to read the report.

Yours faithfully,
Paweł Szataniak
President of the Management Board

ABOUT WIELTON

WIELTON GROUP IN NUMBERS
WIELTON GROUP'S KEY PERFORMANCE INDICATORS
BUSINESS MODEL
WIELTON GROUP'S STRATEGY
WIELTON PRODUCTS
PRODUCT SAFETY AND QUALITY

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI GUILLÉN ABERG

Wielton Group in 2023

5
production hubs in Europe

more than 390
service centres in 29 countries

20,954
semi-trailers, trailers and other vehicles sold

more than 3,000
customers

Wielton Group's key performance indicators

PLN 3,225.2 million
Revenue

3,448
Employees

18.5%
Employee turnover rate

315,235 GJ
Energy consumed

PLN 171.6 million
Investment plan execution

540
New hires

1.3 tCO2e/szt.
Scope 1 and 2 greenhouse gas emission intensity indicator per product sold (market-based)

15.0 GJ/unit
Energy intensity per unit of product sold

Business model

[GRI 2-1] [GRI 2-6]

The Wielton Group (hereinafter: "Wielton Group" or "Group") is one of the top three manufacturers of semi-trailers, trailers and rigid bodies in Europe and is among the world's top ten manufacturers in the industry. Wielton bodies are used by the largest European manufacturers of trucks, such as Scania, Volvo, MAN, Mercedes and Iveco.

Wielton S.A., with its registered office in Wieluń (hereinafter: "Wielton" or the "Company"), has been listed on the Warsaw Stock Exchange since 2007. The Company is the parent company of the Wielton Group.

As at 31 December 2023, the Wielton Group comprised 29 subsidiaries (including seven indirect subsidiaries), which are based in Poland, Germany, France, the UK, Spain, Russia, Kazakhstan, Ukraine, Belarus, Italy, Slovakia and Côte d'Ivoire.

The Wielton Group has five production hubs located in Poland, Germany, France, the United Kingdom and Spain, as well as two assembly plants in Italy and Russia. Due to the geopolitical situation caused by the war in Ukraine, the operations at the Russian assembly plant were halted on 8 March 2022.

The Wielton Group's products are sold mainly on foreign markets. The main markets for the Group's products are: France, the United Kingdom, Germany and Italy. The Wielton Group also provides service support to its customers. Drivers can use more than 390 service centres located in 29 countries.

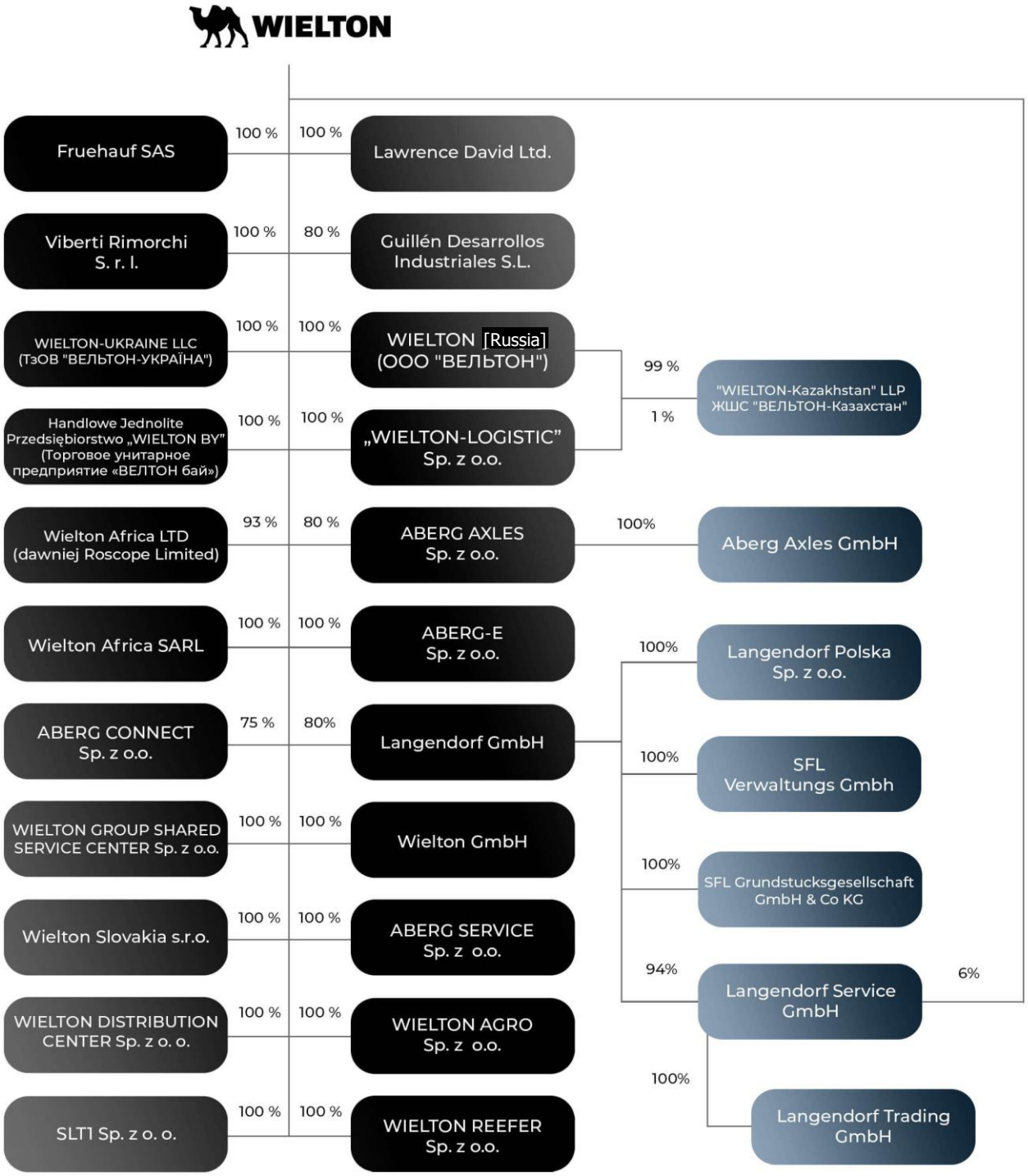
Organisational structure of the Wielton Group

Wielton S.A., as the parent company of the Wielton Group, sets out the Group's growth strategy and, by participating in the statutory bodies of the companies, it influences key decisions concerning both the scope of business and financial operations of the Group entities. In 2023, there were several changes in the structure of the Wielton Group:

- **Wielton Slovakia s.r.o.** The company was registered in March 2023 (a form of limited liability company) with its registered office in Bratislava, Slovakia. Wielton S.A. took up 100% of the shares in the company. The share capital of the company is EUR 5 thousand.
- **Wielton Africa Ltd.** On 24 April 2023, Wielton S.A. acquired 100% of the shares in Roscope Limited from Lawrence David Limited (a subsidiary of Wielton S.A.), i.e. 51 shares at GBP 1 each, for a total price of GBP 51. On the same date, the capital of Roscope Limited was increased from 51 to 100 shares (i.e. by 49 shares, also valued at GBP 1 each). Wielton S.A. took up 42 shares, the remaining 7 shares were acquired by a minority shareholder. The relevant amendments to the Companies House register were published on 15 May 2023. At the same time, the name of the company was changed from Roscope Limited to Wielton Africa Ltd. This change was disclosed in the register on 11 May 2023.
- In May 2023, three newly established subsidiaries, which are based in Wieluń and in which Wielton S.A. holds 100% of the shares, joined the structures of the Wielton Group, namely:
  - **Aberg Service Sp. z o.o.** Initially, the share capital of Aberg Service Sp. z o.o. was PLN 5 thousand; as of February 2024, the share capital is PLN 14.3 million,
  - **Wielton Agro Sp. z o.o.** Initially, the share capital of Wielton Agro Sp. z o.o. was PLN 5 thousand; at present, the share capital is PLN 48 million,
  - **Wielton Reefer Sp. z o.o.** Initially, the share capital of Wielton Reefer Sp. z o.o. was PLN 5 thousand.
- In July 2023, **Centrum Usług Wspólnych Wielton Group Sp. z o.o.** was renamed **Wielton Group Shared Service Center Sp. z o.o.**
- **Wielton Distribution Center Sp. z o. o.** The company was established in August 2023 with its registered office in Wieluń. Wielton S.A. took up 100% of the shares in the company. The company's share capital amounts to PLN 5 thousand.
- **SLT1 Sp. z o.o.** (as of March 2024, it operates under the name **MOVEYO Sp. z o.o.**). The company was established at the end of November 2023, with its registered office in Wieluń. Wielton S.A. took up 100% of the shares in the company. The company's share capital amounts to PLN 5 thousand.

All subsidiaries indicated above, excluding Wielton Agro, SLT1, Wielton Distribution Center and Aberg Axles (including Aberg Axles GmbH), have been consolidated in the Non-Financial Report. The reason for the exclusion was the low materiality of these Companies' data.

As at 31 December 2023, the structure of the Wielton Group was as follows:



After the balance sheet date, up to the date of submission of these statements, the structure of the Wielton Group changed as follows:

- **In January 2024, WIELTON BENELUX B.V. was registered (**the equivalent of a limited liability company in the Netherlands). The share capital of a newly established company is at the minimal amount of EUR 1. The objective of the new subsidiary Wielton Benelux B.V. is to build and develop a sales network to increase sales of Wielton branded products in Benelux countries, as well as to conduct sales and commercial activities through the company. 100% of the company's shares will be taken up by Wielton S.A.

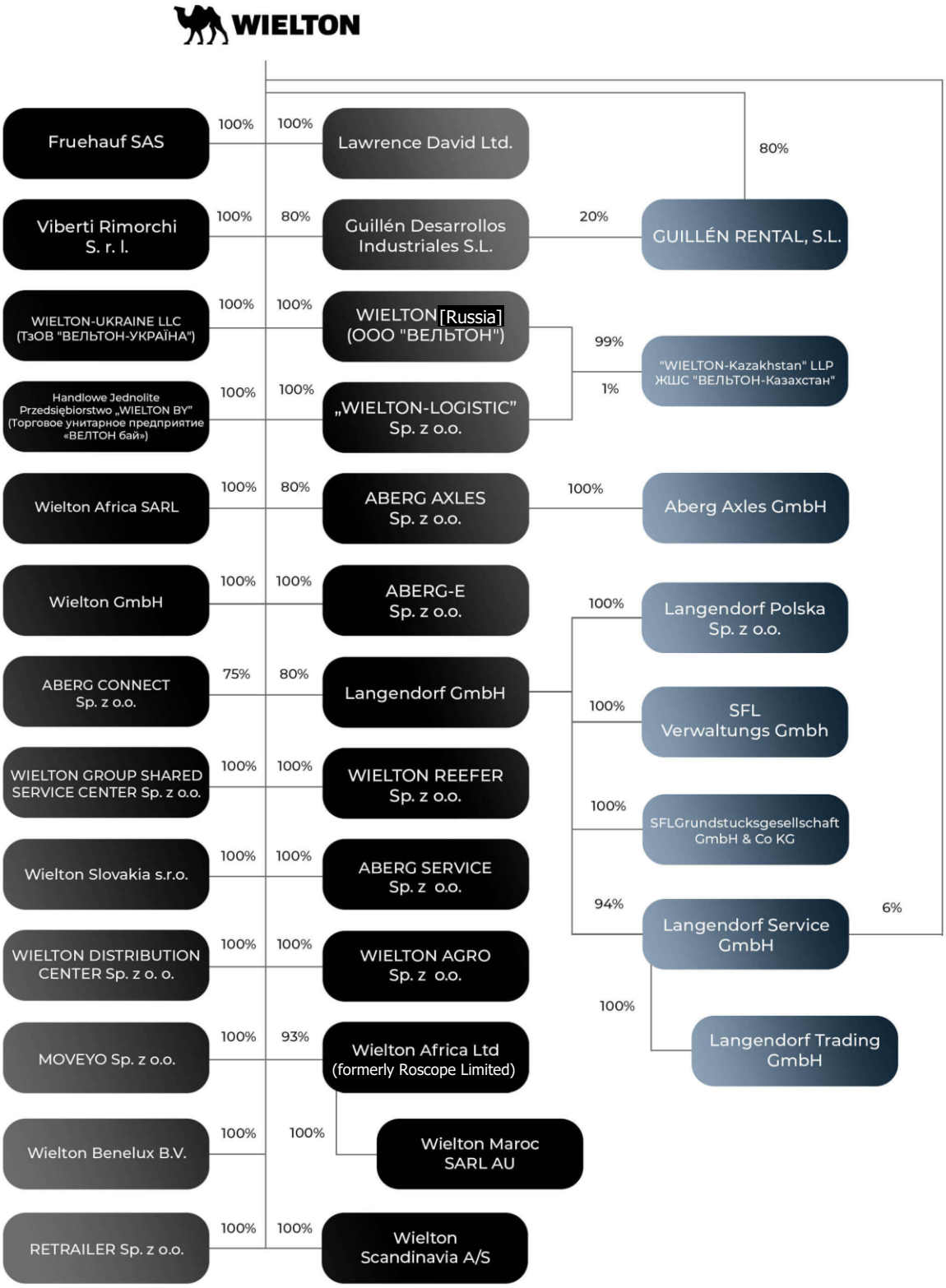
- **In February 2024, WIELTON MAROC SARL AU was registered** (the equivalent of a limited liability company with one shareholder) with its registered office in Casablanca. The share capital of the newly established company is MAD 10,000.00 (Moroccan Dirham). The objective of WIELTON MAROC SARL AU is to build and develop a sales network to increase sales of Wielton branded products in Morocco, as well as to conduct sales and commercial activities through the company. 100% of the company's shares will be taken up by WIELTON AFRICA LTD (a 93% subsidiary of Wielton S.A.).

- **In April 2024, RETRAILER Sp. z o.o.,** with its registered office in Wieluń**, was registered.** The share capital of the newly established company is PLN 5 thousand. The purpose of establishing RETRAILER Sp z o.o. within the Wielton Group is to create new revenue channels through the repurchase, refurbishment, rental and recycling of semi-trailers, which will support sustainable growth and strengthen the Group's market position in the transport industry. Wielton S.A. took up 100% of the shares in the company.

- **In April 2024, GUILLÉN RENTAL, S.L. was registered** (the equivalent of a limited liability company) with its registered office in Spain. The share capital of the newly established company is EUR 500 thousand. The purpose of establishing GUILLÉN RENTAL, S.L. within the Wielton Group is to rent semi-trailers. This will complement the core business of Guillen Desarollos Industriales. 80% of the shares in the company were taken up directly by Wielton S.A., with the remaining 20% held by Guillen Desarollos Industriales (an 80% subsidiary of Wielton S.A.).

- **In April 2024, Wielton Scandinavia A/S** (the equivalent of a limited liability company)**,** with its registered office in Denmark, was registered. The company's share capital is DKK 400,000 (Danish Kroner). The objective of the new subsidiary Wielton Scandinavia A/S is to build and develop a sales network to increase sales of Wielton branded products in Denmark, Norway, Sweden and Finland, as well as to conduct sales and commercial activities through the company. Wielton S.A. holds 100% of the company's share capital.

As at the date of submission of this report, the structure of the Wielton Group was as follows:



Wielton Group's business areas

[GRI 2-6]

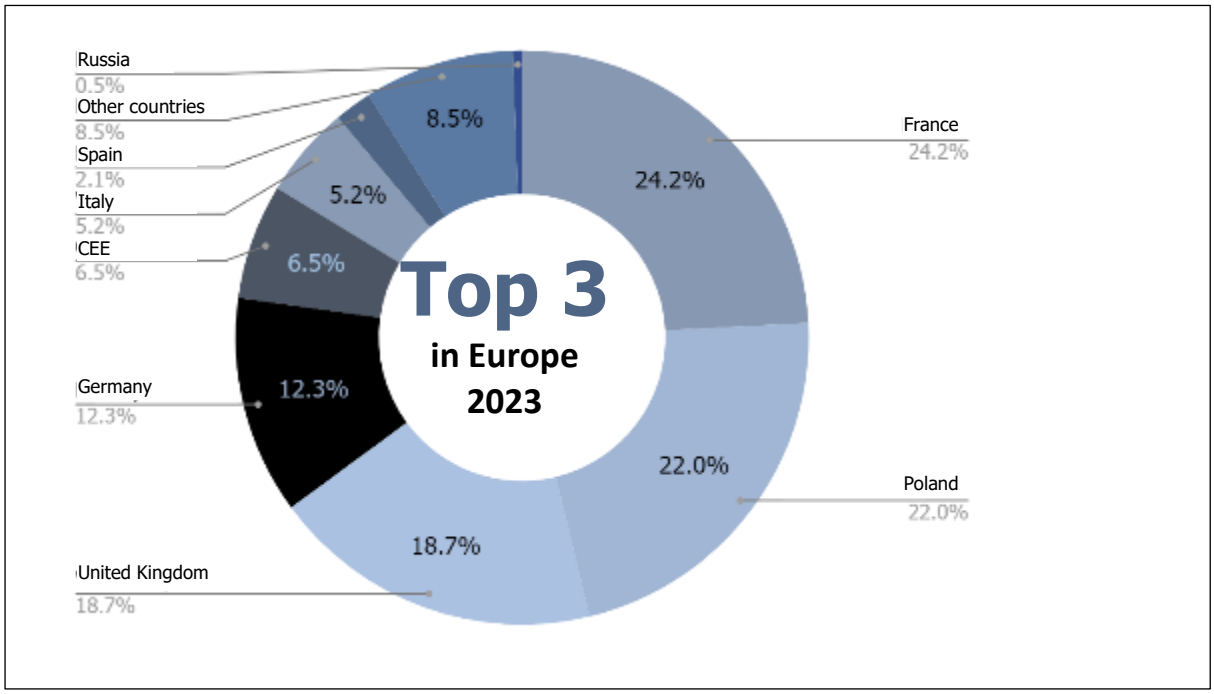
The Wielton Group's activities include the manufacture and sale of semi-trailers, trailers and rigid bodies. The Group's customers include transport, construction, production, distribution and agricultural companies. The Group's value chain is formed by complex production processes, transport between plants and directly to the customer, maintenance services, as well as processes associated with the supply, sales, integrated management and other activities related to the products or services provided by the Group.

Wielton's product portfolio includes 10 product families. High quality of materials, a comprehensive portfolio and extensive customisation of products enable the Wielton Group to reach a wide range of customers and ensure meeting their needs by the provision of the best transport solutions for business.

The business model of the Wielton Group uses a multi-branding strategy based on building global reach through recognisable local brands, including: Polish Wielton, French Fruehauf, Italian Viberti, German Langendorf, Spanish Guillén, and British Lawrence David. Owing to these activities, the Wielton Group has a strong position in the international market. In 2023, the Wielton Group maintained its position as leader in France and industry runner-up in the UK, and came third in the Polish market. The Italian company, whose market share has been growing at a steady rate, has also consolidated its market position.

In 2023, 78% of the Wielton Group's sales revenue came from foreign customers. The main foreign markets for the Group's products are: the United Kingdom, France, Germany and Italy.

Share of individual markets in the revenue from sales of Wielton Group products



CEE countries: Bulgaria, Croatia, Czech Republic, Romania, Serbia, Slovakia, Slovenia, Hungary
Other countries include Austria, Switzerland and Côte d'Ivoire, among others.

In March 2022, the Management Board of Wielton S.A. decided to scale down the Group's operations in Russia and the supply of products to the Russian market, and as of July 2022, these supplies were completely halted. Wielton's operations in Russia are currently focused on selling off current assets and phasing out its business. At the end of December 2023, the company had 6 employees compared to 19 in the previous year. At present, employees perform administrative functions.

High quality of materials, a comprehensive portfolio and extensive customisation of products enable the Wielton Group to reach a wide range of customers and ensure meeting their needs by the provision of the best transport

solutions for business. Thanks to its geographic diversification strategy, the Group uses numerous synergies by sharing its achievements and gains resilience to market changes.

Wielton Group's strategy

On 30 October 2023, the Wielton Group's strategy for 2023-2027 was published. As stated in the Strategy, the Wielton Group's mission is to create and deliver the best solutions for business. The Wielton Group aims to double its revenue to around EUR 1.5 billion in 2027. This growth is to be delivered both through organic growth and through acquisitions. The strategy assumes further growth of the Group in all strategic directions except Russia and Belarus. Sales growth is to be driven primarily by the expansion of the product range. A range of personalised solutions is planned to be introduced across the product range. This development will be based on three global trends: personalisation, digitalisation and sustainability. This means that the Group's activities will be geared towards:

- customising products and services to meet individual customer needs;
- developing production technologies based on automation and robotisation of production;
- paying attention to the balance between economic, social and environmental aspects.

The Wielton Group's strategy for 2023–2027 sets out the following objectives:

- Personalisation – developing the product range towards unique added value for customers;
- Digitalisation – digital transformation, robotisation, automation, AI-based telematics;
- Sustainability – reduction of carbon footprint, support for local communities, federal governance model;
- Human capital – "Family Corp", talent management, leadership succession;
- Innovative solutions – in terms of products and manufacturing.

The Wielton Group's sustainability strategy identifies 3 main areas:

1. **Care for the environment:**

   Within this area, the Wielton Group aims to reduce the carbon footprint of the organisation as well as of its products, and to implement solutions to enable the transition to a circular economy.

   The measures taken by the Wielton Group in this regard are described in the section "Environmental impact".

2. **Care for the society:**

   Within this area, the Wielton Group plans further activities for the benefit of local communities and involvement in CSR.

   The measures taken by the Wielton Group in this regard are described in the section "Care for employees and the society".

3. **Responsible governance:**

   Within this area, the Wielton Group prioritises a federal governance model and the implementation of strategic operational processes.

   The measures taken by the Wielton Group in this regard are described in the section "Responsible organisation".

The Wielton Group is currently working on the operationalisation of the strategy and the development of quantitative targets in the area of Sustainability, including the reduction of greenhouse gas emissions.

Wielton Group's objectives for 2023

On 28 February 2023, Wielton S.A. adopted objectives for the Wielton Group for 2023, which were set on the assumption of a year-on-year downward trend in the trailer market in Europe, as well as continued inflation and rising operating costs. The Wielton Group's market activities planned for 2023 included, in particular:

- entering new markets and expanding retail networks,
- launching new products,
- continued improvements in operational processes,
- reducing production costs,
- maintaining a safe net debt/EBITDA ratio.

Despite the decline in sales and the difficult situation in the raw materials and components market, the Wielton Group delivered EBITDA margins above its target. The year-on-year decline in sales is caused, among other factors, by the strong impact of unfavourable conditions such as high inflation, high interest rates, a decline in demand for transport services and postponement of procurement decisions. These factors have resulted in a decrease in the number of products sold and sales revenue across all markets. In 2023, the Wielton Group sold 20,954 units of products and earned revenue of PLN 3,225 million (down 6.1% on 2022).

Wielton Group's performance

	Assumptions for 2023	2023	2022
Sales volume	**approx. 23,500 units**	**20,954 units**	23,180 units
Sales revenue	**approx. PLN 3,600 million**	**PLN 3,225 million**	PLN 3,433 million
EBITDA margin	**5.9%**	**6.4%**	5.9%
Net debt to EBITDA	**2.5**	**2.09**	2.42

Membership of associations

[GRI 2-28]

Wielton S.A. is an active member of business, industry and scientific organisations and associations, contributing to the initiation and implementation of positive changes in the Polish economy.

Organisations and associations with a representative of Wielton S.A. in their governing bodies

- Polish Automotive Industry Association
- International Road Carriers Association in Poland
- Employers of Poland

Associations in which Wielton S.A. participates in projects and committees:

- Silesian Aviation Cluster
- Employers' Association "Transport and Logistics Poland"
- Partnership within the Spark Start-Up with the Łódź Special Economic Zone
- Automotive Industry Institute (Pimot)
- Business Council at the Lodz University of Technology
  and the Silesian University of Technology
- ICT Central Poland Cluster

Sustainable Development Goals (SDGs)

The Wielton Group is taking measures to contribute to the economic growth of the regions, to the development of innovation in transport and to the protection of the environment.

The activities of the Wielton Group contribute to the achievement of the following Sustainable Development Goals (SDGs), as specified by the United Nations (UN):

- SDG 3: Good health and well-being
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production

As part of its work on the Wielton Group's Strategy 2023-2027, the Company analysed its impact on the environment, society and the economy in the regions where it operates. As a result, the strategy developed envisages taking further measures to support the aforementioned goals.

Wielton products

Product portfolio

[GRI 2-6]

The product portfolio of the Wielton Group is constantly expanded with new models tailored to the needs of customers, as well as improved and enhanced with new technical facilities. The versatility of commercial vehicles is currently one of their most expected features, therefore we provide our customers with the possibility to modify the models from our offer in order to adapt the products to the individual needs of customers.

In 2023, there were no major changes in the Wielton Group's sales mix compared to 2022. Universal semi-trailers remain the sales leader.

Number of products sold and share of product volume in the Wielton Group portfolio

Product description		Location of production	2023		2022	
			Number of products sold (units)	Share (%)	Number of products sold (units)	Share (%)
UNIVERSAL SEMI-TRAILERS						
	Universal semi-trailers include curtain and platform semi-trailers, as well as chassis for further construction. They are available in the following versions: standard, MEGA, Intermodal.	Wielton S.A., Fruehauf and Lawrence David	10,383	**49.6**	10,640	45.9

Product description		Location of production	2023		2022	
			Number of products sold (units)	Share (%)	Number of products sold (units)	Share (%)
TIPPER SEMI-TRAILERS						
	Steel and aluminium tipper semi-trailers (in two versions: square and HP) as well as tipper semi-trailers for transporting scrap.	Wielton S.A. and Langendorf	2,722	**13.0**	2,901	12.5
CURTAIN SEMI-TRAILERS						
	Curtain semi-trailers include single and double deck vehicles. It is available in both lightweight and reinforced versions	Fruehauf, Wielton S.A. and Lawrence David	2,576	**12.3**	3,507	15.1
CONTAINER SEMI-TRAILERS						
	Vehicles in multiple versions depending on the customer's needs, including extendable and non-extendable versions.	Wielton S.A. and Fruehauf	1,323	**6.3**	1,391	6.0
HIGH VOLUME BODIES						
	Vehicles in multiple versions depending on the customer's needs.	Wielton S.A.	1,036	**4.9**	645	2.8
AGRO SEMI-TRAILERS						
	AGRO semi-trailers include low- and high-tonnage (over 14 t) trailers, platforms, dolly trolleys and half-pipes.	Wielton S.A.	1021	**4.9**	1,617	7.0
LOW LOADER VEHICLES (INCL. TRAILERS AND OTHER)						
	Low loader vehicle products include low loader vehicles, road trailers, platform semi-trailers for transporting concrete and walking floor semi-trailers.	Langendorf, Wielton S.A. and Fruehauf	996	**4.8**	805	3.5
HOME DELIVERY BODIES						
	The product includes a set for installation on trucks and delivery vans.	Lawrence David	525	**2.5**	1,118	4.8

Product description		Location of production	2023		2022	
			Number of products sold (units)	Share (%)	Number of products sold (units)	Share (%)
TIPPERS						
	The product includes both tippers and sets for installation on trucks.	Wielton S.A. and Langendorf	230	**1.1**	293	1.3
INLOADERS						
	Inloaders include specialised vehicles for transporting glass and precast concrete.	Langendorf	142	**0.7**	263	1.1
Total			**20,954**	**100%**	**23,180**	**100%**

Sustainable solutions in transport

[GRI 2-6]

The new products of the Wielton Group that are placed on the market offer a number of configurations and customisations, solutions increasing driver comfort and safety, optimising transport and neutralising negative environmental impacts.

As part of a package of measures to achieve climate neutrality for the European Union, the European Commission has imposed an obligation on semi-trailer manufacturers to reduce CO_2 emissions associated with the operation of vehicles by no less than 15% by 2025 and by 30% by 2030.

From mid-2024, semi-trailer manufacturers will also be required to issue CO_2 emission certificates for their products. In the first instance, these requirements cover curtain semi-trailers, cargo semi-trailers and refrigerated semi-trailers. The Wielton Group has taken steps to comply with these requirements in terms of product development, as well as the implementation of the necessary software required to generate CO_2 emission certificates.

The primary method for reducing fuel consumption during the operation of trailers, and thereby reducing greenhouse gas emissions in transport, is the use of technologies that reduce aerodynamic drag, the use of tyres with reduced rolling resistance, as well as reducing the weight of the vehicle combination. The Wielton Group has had products that meet these requirements for years, and is constantly researching and developing new products that will meet all the requirements imposed on semi-trailer and trailer manufacturers.

The intensive work on optimising the design and materials used in production carried out in 2023 has resulted in a significantly reduced weight of the five products, which has not only improved logistical efficiency, but has also helped to reduce fuel consumption during the operation of the vehicles and, consequently, to reduce greenhouse gas emissions. These measures represent another step taken by the Wielton Group to reduce the negative impact of transport on the environment.

Sustainable products in the Wielton Group product portfolio

Products	Innovative achievements
Interchangeable combinations with BDF bodies	• The light design allows to reduce fuel consumption and greenhouse gas emissions. • The low frame increases the load space, with the same external dimensions of the product.
Ultra Light subcontainer	• The reduction in product weight increases the ability to load more and reduce the number of trips. • The product's ultra-lightweight design reduces greenhouse gas emissions during transport and fuel consumption, along with reducing steelmakers' greenhouse gas emissions.
SL 9.0 semi-trailer with gutters	• The reduced product weight reduces fuel consumption and greenhouse gas emissions. • The super-lightweight design of the new gutter enables safe and comfortable transport of loads by the user thanks to specialised solutions.
New family of tipper semi-trailers dedicated to scrap metal transportation	• The reduction in product weight increases the ability to load more and reduce the number of trips. • The new design contributes to a significant decrease in fuel consumption, reducing greenhouse gas emissions into the atmosphere.
Strong Master tipper	• The new design reduces greenhouse gas emissions into the atmosphere and contributes to a significant decrease in fuel consumption.

Products	Innovative achievements
***Double Deck* solution**	• Increasing the loading area for goods that cannot be stacked during transport, thus reducing the number of runs. • The technologies used allow for improved safety and user comfort.
PRC-1/RO Spreader	• Extended product life. • Reduced number of components that require welding. • Material savings.
Volumetric trailer	• Large loading area for raw material, which contributes to reducing the number of runs. • Extended product life. • Reduced environmental pollution through the use of a hydraulic curtain that keeps the raw material from falling out. • Energy-efficient LED work lighting.
Aluminium extensions for shell trailers	• Increased trailer loading capacity, resulting in fewer runs and lower fuel consumption. • Increased volume of materials that do not require painting.

Research and Development Centre

Since 2016, Wielton S.A. has been operating its Research and Development Centre, which is the engineering and scientific resource base of the Company. The key role of its R&D Department is to expand the product portfolio of the Wielton Group by supporting the implementation of innovative technologies and the development of durable and reliable products from Wielton, Fruehauf, Langendorf, Viberti, Guillén and Lawrence David.

The R&D Centre houses a state-of-the-art simulation test hall and prototype shop, where a station for full-truck testing of trailers and semi-trailers, the so-called road simulator, is installed – as the only one in Poland and the third one in Europe – to comprehensively check and test new design solutions for trailers and semi-trailers. Among other things, the road simulator makes it possible to check in just 4-5 weeks how the vehicle will perform after half a million kilometres, a distance usually travelled by semi-trailers over a period of 4-5 years. Specialised measuring and testing stations are equipped with top-class simulation, material and vehicle construction diagnostics equipment.

The Centre enables Wielton S.A. to obtain financing for its projects from external sources. The Centre also acts as a platform for cooperation with the academia. In 2023, cooperation with the Silesian University of Technology, the Częstochowa University of Technology, the Łódź University of Technology and the Poznań University of Technology continued. Cooperation between Wielton S.A. and universities guarantees contact with scientists and is a valuable source of specialists and future employees.

Projects in the research phase focused on sustainable transport solutions

Strengthening its position in international markets and gaining competitive advantages require that the Wielton Group continuously enhance its production processes and improve its products. The solutions designed also help achieve climate objectives related to the reduction of materials and fuel consumption in transport. In 2023, the amount of capital expenditure focusing on optimisation and development projects was approximately PLN 171.6 million.

Wielton S.A. operates within the Łódź Special Economic Zone and has permits entitling it to benefit from an investment bonus. On 24 August 2022, Wielton S.A. received a decision from the Management Board of the Łódź Special Economic Zone on granting support to the Company in respect of its new investment project carried out in Wieluń and in Urbanice and Widoradz in the Wieluń municipality. Wielton S.A. intends to increase the production capacity of the existing plant by: extending and modernising the machinery and technology park, reorganising current production processes, reconstructing existing facilities and constructing new facilities that support production functions, as well as expanding the necessary auxiliary infrastructure. Capital expenditure on the works described amounts to PLN 50 million. Revenue of 40% will be subject to a relief. The investment project should be completed by 31 December 2027.

Projects in the research phase focused on sustainable transport solutions

Projects	Innovative solutions
Lavoisier – hydrogen-powered semi-trailer	
The Lavoisier semi-trailer project carried out by Fruehauf consists in implementing a hydrogen drive that supplies power to a set of batteries and an electric motor that powers the semi-trailer's axle in order to support the tractor. In 2023, tests were carried out, resulting in a positive outcome. Significant fuel savings were reported with relatively low hydrogen consumption.	• The use of the hydrogen drive significantly reduces fuel consumption. • This innovative and environmentally friendly solution will positively contribute to the reduction of CO_2 emissions in use.
M5 semi-trailer	
The project involves the development of new M5 models from the standard semi-trailer family. The M5 semi-trailers incorporate a number of innovative solutions that redefine the standards of the transport industry. Thanks to an optimisation process using state-of-the-art simulation tools, the product is characterised by weight reduction.	• The reduction in weight increases the ability to load more and reduce the number of runs. • Changing the material of selected components. • Strength and mass optimisation of components. • Aerodynamics package - which reduces drag when driving, helping to reduce fuel consumption and CO_2 emissions.
Plastic Cappings	
The project involves the development of innovative profiles used in the construction of semi-trailers.	• Innovative profiles reduce fuel consumption and greenhouse gas emissions. • Lower energy consumption during production.

Projects	Innovative solutions
Electric sliding roof	
The aim of the project is to fully automate the sliding functionality of the trailer roof.	• Improved quality and hygiene for the trailer user.
Quick opening of the side curtain	
This project involves the development of an automatic side curtain retraction system.	• Improved quality and ergonomics of work.
Strong Master tipper	
Strong Master tippers are characterised by a tapered body shape, which enhances safety in use and reduces drag when driving.	• Extending product life by implementing a harder and more abrasion-resistant material.
New TST25 aluminium tipper family	
The aim of the TST25 project is to develop a new family of aluminium tippers, whose structure incorporates specially designed aluminium profiles.	• The reduction in product weight increases the ability to load more and reduce the number of trips. • The new production method reduces greenhouse gas emissions into the atmosphere.

Projects implemented in partnership with NCRD

In 2017, Wielton S.A. signed an agreement with the National Centre for Research and Development (NCRD) as part of the Smart Growth Operational Programme for co-financing a project involving the development of production technology and production system for Van-Chiller semi-trailers.

Van-chiller project

Since 2017, work has been carried out on the design of a new Wielton refrigerated semi-trailer and a prototype line for the production of refrigerated van semi-trailers, in partnership with the National Centre for Research and Development. Such vehicles are most commonly used to transport goods, mainly food and pharmaceutical products, at a controlled temperature. Thanks to the implementation of the Van-chiller project, the Wielton Group's product range will expand to include a new product segment and it will also reach a new group of customers.

According to the NCRD's decision, the project is being implemented as a non-functional project. The completion date for the project is 30 June 2025.

In accordance with the Support Decision No 17/2023 granted on 29 May 2023, measures have been initiated to open a new production facility in Bełchatów, which will manufacture primarily refrigerated semi-trailers and panels for box trailers. The work in this area is being carried out by Wielton Reefer, which aims to be involved in production and sales activities for this type of product.

Hydroforming

Project implemented since 2018 in collaboration with the National Centre for Research and Development. The primary focus of the project was the development of a new product - the INNFELXTRAILER semi-trailer, the assumptions for the hydroforming (flexforming) technology for the production of steel components, which is innovative in the semi-

trailer industry, the selection of parameters for production processes, and the construction and commissioning of production lines.

The hydroforming process launched has allowed the development of a new type of semi-trailers with reduced weight but maintained functionality, which reduces the energy intensity of semi-trailers and allows for reduction of greenhouse gas emissions. The project was substantially and financially completed in December 2023. The project is currently in the sustainability period, which aims to maintain the outcomes of the project and start serial production.

Product safety and quality

At every stage of the production process, the products are verified in terms of meeting quality standards and compliance with the order. They also undergo dimensional inspection and functional tests. The finished product, before it is handed over to the end customer, is subject to a final inspection by the Diagnostic Department.

Approval

[GRI 416-2]

The Wielton Group is required to comply with the EU type-approval system pursuant to Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles. In the case of agricultural vehicles, the approval rules are regulated by Regulation (EU) No 167/2013 of the European Parliament and of the Council on the approval and market surveillance of agricultural and forestry vehicles. In addition, on 1 July 2023, the Act of 14 April 2023 on approval systems for vehicles and their equipment entered into force. The new act brought this area into order by transferring the chapter "Approval" from the current Act - Road Traffic Law - and bringing it in line with the requirements of international regulations in the new act.

From the point of view of the obligation to obtain an approval certificate, Wielton vehicles are divided into the following categories:

- Category O – goods semi-trailers and trailers;
- Category N – truck bodies;
- Category R – AGRO agricultural trailers;
- Category S – low-speed Agro vehicles.

Based on the approval tests, vehicles are tested for a number of technical parameters, including vehicle lighting, conformity of steering and braking systems, rear (rear bumper) and side protection, coupling devices and other devices in place.

In accordance with the rules referred to above, each type of Wielton vehicle holds an approval certificate which is granted on the basis of technical tests compliant with the provisions in an Accredited EU Type-Approval Body. The certificate of approval ensures that Wielton vehicles comply with the requirements of the EU provisions on type-approval, i.e. they have been manufactured in accordance with the applicable technical conditions.

In 2023, the Wielton Group did not record any violations of laws and regulations concerning the safety of products and services.

RESPONSIBLE ORGANISATION

GOVERNANCE STRUCTURE OF THE WIELTON GROUP
DUE DILIGENCE AND BUSINESS CONDUCT
INTEGRATED MANAGEMENT SYSTEM
NON-FINANCIAL RISK MANAGEMENT

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI GUILLÉN ABERG

Governance structure of the Wielton Group

Management Board of Wielton S.A.

[GRI 2-9] [GRI 2-11]

As at 31 December 2023, the Management Board of Wielton S.A. was composed of seven members.

Paweł Szataniak President of the Management Board CEO of the Wielton Group	Paweł Szataniak is the President of the Management Board and CEO of the Wielton Group. He is responsible for creating the vision and setting directions for the Wielton Group's development.
Mariusz Golec First Vice President of the Management Board and Deputy CEO of the Wielton Group	Mariusz Golec is the First Vice President of the Management Board and Deputy CEO of the Wielton Group. He is responsible for supervising the Wielton Group companies, building synergies in the Group, searching for new markets and continued development of the Wielton Group.
Piotr Kuś Vice President of the Management Board and General Director of Wielton Branch in Wieluń	Piotr Kuś is the Vice President of the Management Board and General Director of the Wielton Branch in Wieluń. He is responsible for the operational functioning of the Branch, investments, development of sales, management of plant assets, and for coordinating the work of other Members of the Management Board of the Wielton Branch.
Tomasz Śniatała Member of the Management Board and Chief Financial Officer of the Wieluń Branch	Tomasz Śniatała is a Member of the Management Board and CFO of the Branch in Wieluń, responsible mainly for the financial strategy of the Wielton Branch.
Włodzimierz Masłowski Member of the Management Board and Director of Eastern Markets and the Agro Market of the Wieluń Branch	Włodzimierz Masłowski is a Member of the Management Board and Director of Eastern Markets and the Agro Market of the Wieluń Branch. He is responsible for sales in the Eastern and Baltic markets, as well as for sales of rear tippers, the Agro segment and after-sales support.
Andrzej Mowczan Member of the Management Board and Chief Sales Officer of the Wieluń Branch	Andrzej Mowczan is a Member of the Management Board and Chief Sales Officer of the Wieluń Branch. He is responsible for domestic and export sales (apart from CIS countries), financial programmes, remarketing and sales administration.

Maciej Grzelązka Member of the Management Board and Operational Director of the Wieluń Branch	Maciej Grzelązka is a Member of the Management Board and Operational Director of the Wieluń Branch. He manages processes in the following areas: production, design and technology, maintenance, quality, optimisation and investment in two production plants to ensure safe working conditions.

In 2023, there were no changes in the composition of the Management Board. Detailed information on the experience and competences of the Management Board Members can be found on the website: https://wieltongroup.com/relacje-inwestorskie/lad-korporacyjny/.

[GRI 405-1]

The Management Board of Wielton S.A. is composed exclusively of men, four of whom are in the age group from 30 to 50 and three – in the age group over 50. Wielton S.A. did not develop a diversity policy with respect to the Company's governing bodies. The functions of the Members of the Management Board were entrusted to specific persons, regardless of their gender, education or age, on the basis of the criterion of expertise and experience.

[GRI 2-10] [GRI 2-17]

In accordance with the Articles of Association as amended on 23 June 2022, the Management Board of the Company may be composed of one or more Members, who are appointed and dismissed by the Supervisory Board. Therefore, the number of Members of the Management Board is determined by the Supervisory Board of the Company. The term of office of the Management Board is three years. Management Board members are appointed for a joint term of three years. The terms of office of Management Board Members expire at the date of the General Meeting approving the financial statements for the last full financial year of the joint term of office. The term of office of a Management Board member appointed before the expiry of the joint term in question expires at the same time as that of the other members of the Management Board. The current, sixth term of office of the Management Board expires at the end of 2024.

The Management Board of Wielton S.A. is responsible for setting strategic objectives, preparing and adopting annual plans and for the day-to-day management of Wielton S.A. As part of the division of competences between individual Members of the Management Board, two Members of the Management Board (President of the Management Board and First Vice President of the Management Board) were entrusted with the responsibility for supervision over the Wielton Group. Other Members of the Management Board focus on managing the Wielton Branch in Wieluń.

Management in the Wielton Group

Subsidiaries registered in the territory of Poland have their own management boards and the Group companies registered in the territories of other countries are managed by Managing Directors. The responsibilities of management boards and Managing Directors of Group companies include the day-to-day management of the companies' operations and implementation of the business strategy adopted for the Group by Wielton S.A.

Since 2018, the Wielton Group has had a Board of Directors composed of representatives of the Management Board of Wielton S.A. and Managing Directors of foreign companies from the Wielton Group. The principal goal of the Board of Directors is the integration of structures and processes which are to create synergies in terms of purchasing, production and sales, while ensuring increased business efficiency of the entire Group and strengthening its position in key international markets. The tasks of the Board also include: verification and selection of strategic initiatives and projects, monitoring of the progress of work thereon, and integration of strategic projects in all Group companies.

Supervisory Board of Wielton S.A.

[GRI 2-9]

As at 31 December 2023, the Supervisory Board was composed of the following members:

Waldemar Frąckowiak Chairman of the Supervisory Board and Independent Member of the Supervisory Board	**Mariusz Szataniak** Deputy Chairman of the Supervisory Board	**Krzysztof Półgrabia** Secretary of the Supervisory Board
Krzysztof Tylkowski Member of the Supervisory Board	**Tadeusz Uhl** Independent Member of the Supervisory Board	**Piotr Maciej Kamiński** Member of the Supervisory Board

The Supervisory Board of Wielton S.A. is composed of five to eight members appointed and dismissed in accordance with the rules described in the Articles of Association of Wielton S.A. for a joint term of office of five years. The composition of the Supervisory Board has not changed in 2023.

[GRI 2-11]

The Chairperson of the supervisory body (Supervisory Board) is not a member of the management personnel. As at 31 December 2023, two Members of the Supervisory Board met the requirements of independence in accordance with the applicable regulations. More information on the rules for appointing Members of the Supervisory Board can be found in the Directors' Report on the operations of Wielton S.A. and the Wielton Group for 2023.

The Supervisory Board of Wielton S.A. is composed exclusively of men, one of whom is in the age group from 30 to 50 and five – in the age group over 50. Wielton S.A. did not develop a diversity policy with respect to the Company's Supervisory Board. The functions of the members of the supervisory body were entrusted to specific persons, regardless of their gender, education or age, on the basis of the criterion of expertise and experience.

Detailed information on the experience and competences of the Supervisory Board Members can be found on the website: https://wieltongroup.com/relacje¬inwestorskie/lad¬korporacyjny/.

The Supervisory Board of Wielton S.A. exercises ongoing supervision over the Company's operations. In particular, it assesses the standalone and consolidated financial statements, the Directors' Reports on the operations of the Company and the Wielton Group, approves annual and long-term development plans of Wielton S.A. and the Wielton Group, appoints and dismisses Members of the Management Board and sets out the principles of remunerating the Management Board within the framework of the adopted Remuneration Policy for Members of the Management Board and the Supervisory Board of Wielton S.A.

The Supervisory Board operates on the basis of the Regulations adopted by the General Meeting on 23 June 2022, which set out the detailed working procedures of the Board. Meetings of the Supervisory Board are convened as and when necessary, but at least three times in a financial year. For more information, see the Directors' Report on the operations of Wielton S.A. and the Wielton Group in 2023.

[GRI 2-18]

The Supervisory Board of Wielton S.A. performs an annual assessment of the Management Board's activities in terms of the Management Board's achievement of objectives in the areas of financial performance, strategy implementation, including execution of investment projects, human resources management and environmental management, on the basis of Key Performance Indicators set out in the Balanced Scorecard. As regards Managing Directors in Group companies, they translate indicators into tasks of their teams, which is directly linked to granting departmental bonuses on a quarterly or annual basis.

Audit Committee

The Supervisory Board of Wielton S.A. has an Audit Committee, whose tasks include monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal

audit, the performance of audit activities and the independence of the statutory auditor, as well as informing the Supervisory Board of the results of the audit activities performed. The role of the Audit Committee is also to submit recommendations to the Supervisory Board to indicate the identified threats and actions to be taken in order to mitigate them. The Audit Committee of Wielton S.A. also evaluates the work, recommendations and improvements recommended by the Internal Audit.

On 31 December 2023, the Audit Committee was composed of three members:

- Tadeusz Uhl – Chairman of the Audit Committee,
- Waldemar Frąckowiak – Member of the Audit Committee,
- Krzysztof Półgrabia – Member of the Audit Committee.

Mr Tadeusz Uhl and Mr Waldemar Frąckowiak meet the independence criteria within the meaning of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and the Code of Best Practice for WSE Listed Companies 2021, which has been verified on the basis of the representations of the Audit Committee Members with the exercise of due diligence and taking into account the knowledge of the Company's Supervisory Board in this respect.

In 2023, there were no changes in the composition of the Audit Committee.

Remuneration policy

[GRI 2-19] [GRI 2-20]

On 24 June 2021, the General Meeting of Wielton S.A. resolved to adopt a new Remuneration Policy for Members of the Management Board and Supervisory Board of Wielton S.A., and no amendments have been made thereto since that date. This document sets out the general guidelines and framework for the remuneration of persons holding positions in the bodies of Wielton S.A. The solutions adopted in the Remuneration Policy, including those regarding fixed and variable components of remuneration, bonuses and other benefits for Members of the Management Board and the Supervisory Board, were determined in a manner which makes it possible to contribute to the implementation of the business strategy, long-term interests and ensuring stability of the Company and its development.

The policy describes in detail the rules applicable to all components of remuneration. According to the applicable policy, the remuneration paid includes:

- fixed remuneration – monthly remuneration in cash, paid for functions performed in the Company or within the Wielton Group and the scope of duties assigned to them, taking into account market conditions, regardless of the performance-related criteria;
- variable remuneration – an annual bonus dependent on the net profit (standalone or consolidated, depending on the area of responsibility) in a given financial year, paid on the basis of the audited financial statements;
- additional benefits – which include other benefits, also non-monetary ones, such as lending for use a company car (also for private purposes), co-financing healthcare (also for immediate family members like a spouse and minor children), covering premiums under a D&O liability insurance contract.

Fixed remuneration of Members of the Management Board is determined by the Supervisory Board by way of a resolution. When determining the amount of fixed remuneration of Management Board Members, the Supervisory Board takes into account in particular the following: qualifications, level of professional experience, profile of the function performed, size of the managed area, scope and nature of tasks performed and remuneration of managers in organisations with a similar profile and scale of operations.

Members of the Company’s Management Board and Supervisory Board may be covered by additional pension schemes or early retirement schemes and may participate in the Company’s Employee Capital Plan (ECP). Wielton S.A. does not exclude the introduction of additional pension schemes or early retirement schemes in the future.

The development, implementation and review of the remuneration policy is carried out in cooperation with all bodies of Wielton S.A., in line with the competences of the General Meeting. The policy is subject to periodic

reviews conducted by the Management Board in cooperation with the Supervisory Board, and at least every four years, the General Meeting adopts a resolution on the policy.

Detailed information on the total remuneration of the Management Board Members are presented in the Report of Wielton S.A. on the Remuneration of Members of the Management Board and the Supervisory Board for 2023.

Sustainability management

[GRI 3-3] [GRI 2-12] [GRI 2-13]

Sustainable development is of interest to both the Company's Management Board and the Supervisory Board. Management of sustainable development in the Wielton Group is the responsibility of the Management Board of Wielton S.A., whose task is to make decisions on the strategic directions of the Group's development. As part of their respective responsibilities, the individual Members of the Management Board oversee the activities of their subordinate organisational units relating to sustainable development. The operational activities related to ESG are the responsibility of the persons in charge of individual units of Wielton, including in particular the following departments: Group Purchasing Department, Research and Development Department, Quality Control Department, Occupational Health and Safety Department and HR Department.

Sustainability is considered by Wielton's Management Board as one of its key strategic directions, as reflected, among other things, in the Wielton Group Strategy 2023-2027, published in 2023, which sets out the objectives for the ESG strategy. The Vice President of the Management Board, General Director of Wielton Branch in Wieluń, Mr Piotr Kuś, is responsible for the development and implementation of the ESG strategy.

Thanks to many years of professional experience, Members of the Management Board of Wielton S.A. have the competences in the area of sustainable development, which are indispensable in the manufacturing industry. Members of the Management Board regularly broaden their knowledge in this regard. The Company's Management Board participates in the process of preparing the non-financial report by approving the structure of the report and its key assumptions.

Prevention of conflicts of interest

[GRI 2-15]

Wielton makes reasonable efforts to prevent conflicts of interest by addressing the issues related to this topic in its rules of procedure and policies – the issues related to conflicts of interest are included in the Regulations of the Supervisory Board of Wielton S.A. and the Regulations of the Management Board of Wielton S.A. The measures taken to avoid conflicts of interest are also listed in the Remuneration Policy for Members of the Management Board and the Supervisory Board of Wielton S.A. If a Member of the Management Board or the Supervisory Board identifies the probability of conflict of interest relating to the issues regulated by the above-mentioned documents, the Member is obliged to submit their comments to the Chairman of the Supervisory Board.

Due diligence and business conduct

[GRI 3-3] [GRI 2-23] [GRI 2-24] [GRI 2-25]

The Wielton Group operates in a transparent manner, in accordance with the applicable legal regulations and internal procedures, and follows globally recognised agreements on human rights, diversity and ethical principles.

The key documents, from the perspective of the due diligence system, which were implemented in Wielton S.A. are:

- Anti-Mobbing Policy,
- Policy on Respect for Human Rights,
- Anti-Corruption Policy.

A Code of Conduct has also been developed and is scheduled to be implemented in 2024. It will be the guide of ethical behaviour towards customers, contractors and other stakeholders. Once the Code has been implemented, all Wielton S.A. employees will undergo training on the Code.

In addition, the Wielton Group has a whistleblowing system based on the Procedure for reporting and investigating violations. Through this channel, both employees and external stakeholders of the Wielton Group can report violations of laws and internal regulations of the Group.

One of the key elements of due diligence is the monitoring and evaluation of suppliers. The Wielton Group does not tolerate any form of forced labour, slavery, human trafficking and it does not accept child labour in the business operations of its business partners, suppliers or subcontractors. Verification of contractors as part of the purchasing process is carried out by assessing the information provided by them through a detailed questionnaire. Before commencing cooperation with the Wielton Group companies, all suppliers are required to self-assess their own operations, taking into account respect for human rights. The assessment of contractors' conduct is also carried out during direct visits of Group employees, e.g. in suppliers' production plants.

The Wielton Group has procedures in place that define requirements and expectations for suppliers. The Group requires suppliers to have a quality management system compliant with PN-EN ISO 9001:2015 (or to fulfill certain requirements based on the aforementioned standard). In addition, expectations for suppliers are described in the Supplier Manual.

The Wielton Group also has a risk management system in place, which includes the identification, analysis and monitoring of financial and non-financial risks, as well as taking actions aimed at mitigating or eliminating identified risks. Wielton S.A. and other Group Companies are obliged to ensure remedial measures for the elimination of negative effects which they have caused or contributed to – this is regulated in internally implemented policies.

Details of the actions and policies referred to above can be found further on in this chapter.

Anti-Mobbing Policy

Since 2016, Wielton S.A. has had an Anti-Mobbing Policy in place, which sets out a set of principles aimed at counteracting mobbing, harassment, discrimination on the grounds of race, ethnic origin, sex, religion or belief, disability, age or gender identity, and to define the procedures to be followed in the event of such acts. All employees employed in Wielton S.A. are obliged to comply with the principles described in the Policy. The applicable rules of conduct and treating colleagues are communicated to all newly hired employees before they commence work.

Every employee of Wielton S.A. has the right to report a violation of the Policy to their immediate superior, the management of the Company, the HR Department, or via an anonymous channel, in accordance with the Procedure for reporting and investigating violations. The reporting employee must not be exposed to any consequences resulting therefrom. If a complaint is lodged against an employee that is not confirmed, the complaint will not be recorded anywhere in their personal file and the employee will not be affected by any consequences. Each employee receiving a complaint has the right to present their version of the events.

The Anti-Mobbing Policy places an obligation on all employees and the human resources department to take, in the event of discriminatory behaviour towards one or more employees, appropriate steps resulting from the rules in force at WIELTON S.A. or from labour law:

- individual or group interview, with or without interview minutes,
- interviews held by external specialists,
- issuing appropriate instructions,
- instruction on the company's rules of conduct,
- warning (written or oral),
- reprimand,
- demotion,
- termination of employment.

Policy on Respect for Human Rights

One of the core values embedded in the Wielton Group's business activities is respect for human rights, encompassing the recognised rights, privileges, freedoms and standards of treatment to which every human being is entitled and which derive from the inherent dignity of every individual. Respect for human rights within the Company and throughout the supply chain is important not only for moral reasons, but also for business reasons.

The rules applicable to all employees of Wielton S.A. in this respect are set forth in the Policy on Respect for Human Rights. The Company also takes action aimed at promoting the Policy among its suppliers and subcontractors.

As part of the Policy on Respect for Human Rights, Wielton S.A. undertook to protect human rights in accordance with the principles of the UN Universal Declaration of Human Rights and the declaration of support to 10 principles of the UN Global Compact. The principles of the Policy on Respect for Human Rights include, but are not limited to:

- conducting dialogue with local communities,
- counteracting mobbing, discrimination and ensuring equal opportunities for employees,
- zero tolerance for child labour and forced labour, both in the Wielton Group and among its business partners,
- freedom of association and membership in employee organisations,
- ensuring decent working conditions and remuneration in compliance with applicable laws,
- occupational health and safety,
- employee involvement in company life.

Any identified irregularities and breaches of the Policy should be reported to the relevant persons and units, in accordance with the procedures set out in the Anti-Mobbing Policy.

The President of the Management Board of Wielton S.A. is responsible for updating and supervising the implementation of the Policy on Respect for Human Rights.

Counteracting corruption and Anti-Corruption Policy

The basis for the operations of Wielton S.A. is local and international law, which is the basis for the internal system for counteracting corrupt practices and other abuse. The Anti-Corruption Policy applicable at Wielton S.A. aims to ensure compliance of the operations carried out by the Company, its employees and contractors with generally applicable laws and ethical principles. The Anti-Corruption Policy includes a zero tolerance principle for any corrupt practices, including the making of promises, proposals, and offering of financial, material or other benefits. The Anti-Corruption Policy shapes the rules of conduct enabling identification, prevention and management of risk of corrupt practices and other abuse.

According to the Anti-Corruption Policy, each employee of Wielton S.A. is obliged not to promise, offer, give or accept or expect any financial, material, personal or other advantage. All employees of Wielton S.A. are obliged to firmly refuse in all cases in which any attempt would be made to take any action that might be considered a corrupt practice directed towards them, and then to immediately report such an event and describe its course. The Company complies with the principle of non-discrimination against a person who has reported reasonable suspicion of a corrupt practice. Wielton S.A. conducts regular, obligatory training sessions which broaden the employees' knowledge of the applicable rules. A breach of the Anti-Corruption Policy may constitute gross misconduct and may result in termination of the contract between the Company and the employee.

Wielton S.A. is obliged to support the internal system for counteracting corrupt practices and other abuse, including the active transfer of knowledge on Policy provisions and interpretations, and undertakes to regularly update the Policy in order for it to comply with the standards of local and international legislation. The President of the Management Board supervises the implementation of the provisions of the Policy through the Management Board Office. The President of the Management Board of Wielton S.A. is responsible for updating and interpreting the Policy.

[GRI 205-3]

In 2023, no cases of corruption related to its representatives, employees, business partners were identified in Wielton S.A. or in the Wielton Group.

Whistleblowing system

[GRI 2-16] [GRI 2-25] [GRI 2-26]

The procedure for reporting and investigating violations enables employees, collaborators, customers, suppliers of the Wielton Group and other interested persons to report violations of laws and internal regulations. The

implemented procedure complies with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

Reporting channels have been designed and implemented in a manner ensuring confidentiality of the reporting person's identity. It is also possible for the reporting person to remain anonymous. The report can be made by filling out the application form in the Whistleblowing system on the website (at the following address: https://groupsignalreport.com.pl. The report can also be made in a letter sent to the registered office of Wielton S.A. in Wieluń with the note "Report - Signal, Internal Audit Department". Wielton employees also have the option of setting up an anonymous email address to correspond with the Committee for Counteracting Violations about their anonymous reports.

Employees of the Wielton Group are informed on a regular basis about the existing channels for reporting irregularities within the internal communication channels, i.e. HR Newsletter and information boards in production plants. The basic rules for reporting and investigating violations are available in Polish and English to all interested parties on the aforementioned website. Wielton S.A. plans to implement the possibility of filling out the application form also in other languages used by the employees of Group companies.

According to the Procedure for reporting and investigating violations ,the Committee for Counteracting Violations, which is composed of the CEO of the Wielton Group and the Internal Audit Director, is responsible for investigating violation reports. Each report is examined, reviewed and followed by an investigation procedure. A post-investigation report containing recommendations on taking corrective and preventive actions in order to eliminate similar events in the future is also prepared.

Verification of the effectiveness of the whistleblowing system is carried out annually by the Internal Audit Director. The efficiency of the whistleblowing system is monitored regularly by the Audit Department.

In 2023, the Internal Audit Department of Wielton S.A. did not receive any violation reports from employees.

In 2022, an Ethics Committee was established to receive and analyse reported irregularities, in respect of the areas set out in the Code of Conduct drawn up in 2022, which is planned to be implemented in 2024.

[GRI 2-27]

In 2022, the Wielton Group did not record any cases of violation of applicable laws, regulations and rules implemented in the Wielton Group.

Integrated Management System

The Integrated Management System (IMS) Policy, established by the Management Board of Wielton S.A., sets out commitments aimed at supporting sustainable development. Within the framework of the Integrated Management System, Wielton has specific requirements in place which meet the standards of PN-EN ISO 9001:2015, PN-EN ISO 14001:2015 and PN-ISO 45001:2018 in the area of quality, environmental and occupational health and safety management. The Quality Management System in Wielding based on the requirements of ISO 3834-2:2021 is also in place to maintain quality.

Within the framework of the Integrated Management System Policy, the Wielton Group undertakes to achieve the objectives specified in the IMS and to ensure that the processes are maintained and continuously improved:

Strategic objectives in line with the Integrated Management System of the Wielton Group

Commitments to achieve the set objectives:

- Continuous development of the product offer;
- Meeting the legal requirements and own standards;
- Improvement of employee skills, involvement in the self-control process and achievement of the set objectives;
- Expansion of own sales network, supported by the key account service system;
- Adjustment of production capacity to sales objectives;
- Building a consistent image based on strong local brands;
- Adjustment of the organisational structure to the growing scale and coverage;
- Active customer participation in the product design process;
- Strengthening of partner relationships with the supplier – Wielton S.A.;
- Reduction of any negative impact on humans and the environment.

Maintenance and continuous improvement in the following areas:

- Quality, environment and occupational health and safety according to the Integrated Management System;
- Quality Management System in Wielding;
- Prevention of injuries and diseases through zero tolerance for hazardous activities and working conditions.

In addition, Wielton S.A. has a system for the improvement of Wielton Quality System processes, which is consistent with the Integrated Management System Policy and covers the following issues:

- Quality management;
- Workstation;
- Technical preparation of production;
- Process optimisation;
- Quality of suppliers;
- Quality of human capital.

Coordination and verification of the activities related to quality management, compliant with the IMS Policy and the Wielton Quality System, is the responsibility of the Quality Director. The *Wielton Quality System* is a response to the risks identified in the area of process quality maintenance; it allows to adjust the system to specific activities and supports the existing standards.

Key quality management certificates held by the Wielton Group companies are presented below.

Quality Management Systems in Wielton Group companies

Company	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
Wielton S.A. (Poland)	✓	✓	✓
Langendorf (Germany)	✓	-	-
Fruehauf (France)	✓	-	-
Lawrence David (United Kingdom)	✓	-	-
Viberti Rimorchi (Italy)	✓	-	-

Guillén (Spain), which was not included in the above list, is currently working on the implementation of ISO 9001:2015.

Wielton's process map, developed in 2021-2022 and including process charts and material flow diagrams for production processes, was in place in 2023, facilitating the standardisation of subsequent activities.

Risk management

[GRI 3-3] [GRI 2-16]

The basic objective of risk management is to identify, monitor and take measures aimed at minimising or eliminating risks and take advantage of emerging opportunities. Managers of individual business areas are responsible for risk identification and management. Risk management is carried out at every level of management of the Wielton Group and it is a continuous process.

The supporting role in risk management is performed by:

- A team of legal advisers located in the Management Board Office, responsible for Compliance;
- A financial audit team within the Finance Department, dealing with financial payment plans and overdue receivables;
- The Internal Audit Department in the Wielton Group, which performs periodic assessments of the internal control and risk management system.

The Wielton Group identified the following material non-financial risks related to corporate, social and environmental governance:

Risk area	Risk name	Methods of risk management
Employees	Risk of accidents at work or occupational diseases	The Wielton Group companies are constantly developing occupational health and safety systems. The policy of Wielton S.A. provides for full compliance with the local health and safety regulations. For more information on OHS risk management, see pages 57-68.
	Risk of losing talent and employee retention, and risk of wage pressure	The Wielton Group constantly undertakes actions aimed at developing its employees and training future staff. For a detailed description of the risks in the employee area, see pages 53-54.
	Risk of mobbing or harassment	The Wielton Group companies monitor and actively manage the risk by implementing measures aimed at reducing the probability of its occurrence. For a detailed description of the risks in the employee area, see pages 53-54.
Natural environment	Risk of failing to adapt to environmental regulations, including risk associated with the tightening of provisions relating to energy efficiency and waste management	Environmental management in the Wielton Group is governed by legal requirements and individually implemented policies, management systems and procedures relating to environmental protection. Group companies comply with applicable requirements and manage their waste in a responsible manner. Wielton S.A. develops circular economy.

Risk area	Risk name	Methods of risk management
		For more information on risks in the environmental area, see pages 67-68.
	Environmental pollution risk	Wielton observes the requirements and procedures aimed at preventing pollution. Processes related to environmental protection, including water and effluents management, emissions, waste generation in Wielton S.A., are regulated by the terms and conditions set out in the integrated permits. For more information on risks in the environmental area, see pages 65-66.
	Risk related to the need for the Wielton Group to adapt to the circular economy.	Pressure from the market and regulators, as well as growing legal requirements for raw materials and waste management will gradually force the implementation of solutions aimed at increasing the share of raw materials obtained from recycling and design of products in a way that enables them to be re-used and repaired to a greater extent, as well as recycled. The risk may lead to increased costs due to changes in technological processes and recycling. The Wielton Group monitors legislative processes and adapts raw materials management mechanisms to the upcoming regulatory developments at an early stage. For more information on risks in the environmental area, see pages 65-66.
	Risk of losing business customers due to redirecting them to products and services that have a lower environmental and climate impact	The Wielton Group is engaged in R&D activities to develop products that meet customers' needs to reduce greenhouse gas emissions in transport, for example by reducing vehicle weight, increasing the payload capacity of semi-trailers or reducing fuel consumption in the operation of vehicles. For more information on Wielton's efforts to develop sustainable products, see pages 16-21.
Production	Risk of changes in market trends and/or customer preferences, which has a negative impact on the Group's performance, resulting from increased competitiveness, restrictions related to market capacity and supplier market consolidation	The Wielton Group analyses, inter alia, the level of service, product range or quality of products and services. The Wielton Group develops its competitive position by increasing its market share and it is working on innovative solutions to respond to the growing needs of its customers.

Risk area	Risk name	Methods of risk management
Supply chain	Risk of greenhouse gas emissions upstream in the value chain related to the production of raw materials used by the Wielton Group (such as steel and/or aluminium)	The Wielton Group implements innovative technological solutions to reduce the weight of products, thus reducing the consumption of steel and aluminium in the production of semi-trailers. The developed technology of hydroforming allows to reduce consumption of materials in the production process.
	Risk of disruption of supply	Production processes require constant supplies of raw materials. The risk related to disruptions of raw material supplies is mitigated by the diversification of suppliers. In order to mitigate the risk of disruption of supplies as a result of the geopolitical situation related to the war in Ukraine, the Wielton Group introduced changes in the portfolio of suppliers in accordance with the adopted strategy.
	Risk of subcontractors/suppliers failing to meet quality requirements and risk of insufficient standards of the Wielton service system	In order to mitigate the risk of subcontractors and suppliers failing to meet quality requirements, the Wielton Group diversifies its sources of supply through a supplier panel, whilst for dedicated suppliers it maintains a safety stock. Quality and logistical metrics of suppliers are also monitored on an ongoing basis. Wielton S.A. also takes preventive measures by communicating requirements to suppliers via the Supplier Manual and carrying out entry checks and supplier audits.
	Risk of upstream suppliers failing to respect fundamental human rights in the value chain	The Wielton Group does not tolerate any form of forced labour, slavery, human trafficking and it does not accept child labour in the business operations of its business partners, suppliers or subcontractors. In accordance with the adopted Policy on Respect for Human Rights, the Wielton Group expects its business partners, suppliers and subcontractors to also apply the work standards accepted by the Group. Any irregularities and violations of the Human Rights Policy identified should be reported in accordance with the procedure for reporting and investigating violations.
Regulatory and legal environment	Risk of changes in legal regulations affecting the Group's operations	The Wielton Group monitors regulatory changes on an ongoing basis and takes the required adjustment actions.
Strategic projects	Risk of ineffective implementation of strategic projects	Wielton S.A. monitors the implementation of strategic projects. The Management Board controls progress and responds to restrictions or difficulties in project

Risk area	Risk name	Methods of risk management
		implementation. The Supervisory Board also supervises strategic projects.
Anti-corruption	Risk of employee involvement in corrupt activities	The Wielton Group companies comply with national regulations and voluntarily apply guidelines of international organisations that are reflected in the policies implemented. The purpose of the policies implemented is to ensure compliance of the activities performed by employees and contractors with generally applicable laws and principles of ethics. Within the framework of the system for counteracting corrupt practices and other abuse, Wielton S.A. introduced an internal channel for reporting such events.
Cybersecurity	Risk of cyber threats adversely affecting the Group's operations	In order to reduce the risk of cybersecurity threats, Wielton S.A. has been implementing new solutions to increase the level of security. We use systems such as DLP or PAM. We monitor the network infrastructure, make security backups of IT systems and carry out penetration tests. We use cryptographic solutions. In 2024, we are running email campaigns to raise users' awareness of potential threats.

CARE FOR EMPLOYEES AND THE SOCIETY

EMPLOYEES
ACTIVITIES FOR THE BENEFIT OF LOCAL COMMUNITIES

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI GUILLÉN ABERG

Employees

HR policies

[GRI 3-3]

The Wielton Group's Strategy for 2023-2027, published in October 2023, identifies three core objectives under Human Capital: "Family Corp", Talent Management and Leadership Succession. One of the first measures to implement this Strategy was the introduction of a central HR management structure at the level of the entire Wielton Group, with the primary task of developing common HR principles to be applied across the Group, implementing an organisational culture based on the "Family Corp" model and implementing group HR initiatives. The Group Chief People & Culture Officer is responsible for this area.

In December 2023, the Group's Management Board adopted the Wielton Group's new HR strategy for 2024-2027, which sets out specific HR objectives centred around three main pillars: support and development of Wielton Group executives, advice on the effectiveness of organisational structures and the implementation of consistent principles for employee remuneration.

The HR area of Wielton S.A. is regulated by internal policies and procedures, including:

- Work Rules,
- Policy on Respect for Human Rights,
- Social Policy of Wielton S.A.,
- Recruitment procedures at Wielton,
- Remuneration and Bonus Rules,
- Contract Renewal and Payroll Promotion Procedure,
- Anti-Mobbing Policy of Wielton S.A.,
- Anti-Corruption Policy,
- Personnel Policy of Wielton S.A.,
- Rules of the Company Social Benefits Fund,
- Training Policy Rules,
- Training Fund Rules,
- Rules of the "Znasz-Polecasz" ["You know — You Recommend"] Reference Programme,
- Remote Work Rules,
- Procedure for reporting and investigating violations,
- COVID Procedure,
- Personal Data Protection Security Policy,
- Communication Policy.

Key changes to Wielton S.A.'s policies and procedures implemented in 2023 included: updating the Remote Work Rules, the Wielton Suggestion System Programme and the Procedure for conducting employee sobriety checks at Wielton S.A.

Employment structure

[GRI 2-7]

As at 31 December 2023, Wielton S.A. employed 2,006 employees, i.e. 2.7% more as compared to the number of employees as at the end of 2022. As at 31 December 2023, the Wielton Group had 3,448 employees, 3.0% more than in 2022.

In 2023, 77.7% of Wielton S.A. employees had indefinite employment contracts, while the remaining 22.3% of employees were employed under fixed-term employment contracts (temporary employment). The share of full-time employees was as much as 99% as compared to 1% of part-time employees.

In the Wielton Group, indefinite employment contracts accounted for 83.6% of employment and fixed-term employment contracts – 16.4%. In 2023, 98.1% of employees were employed on a full-time basis and 1.8% – on a part-time basis. Only 0.1% of employees were employed for non-guaranteed working time.

Total number of employees broken down by gender and period of employment in Wielton S.A. and in the Wielton Group

	2023		2022	
	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Indefinite term				
Women	277	389	194	346
Men	1,331	2,494	1,283	2,423
Definite term				
Women	106	130	122	138
Men	342	435	355	438
Total	**2,006**	**3,448**	**1,954**	**3,345**

The presented data on the number of employees were calculated as the total number of employees as at 31 December 2023.

Total number of employees broken down by FTE and gender in Wielton S.A. and in the Wielton Group

	2023		2022	
	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Full-time				
Women	327	492	312	465
Men	1,658	2,890	1,623	2,833
Part-time				
Women	6	26	4	18
Men	15	37	15	25
Non-guaranteed working time				
Women	0	1	0	1
Men	0	2	0	3
Total	**2,006**	**3,448**	**1,954**	**3,345**

The presented data on the number of employees were calculated as the total number of employees as at 31 December 2023.

[GRI 2-8]

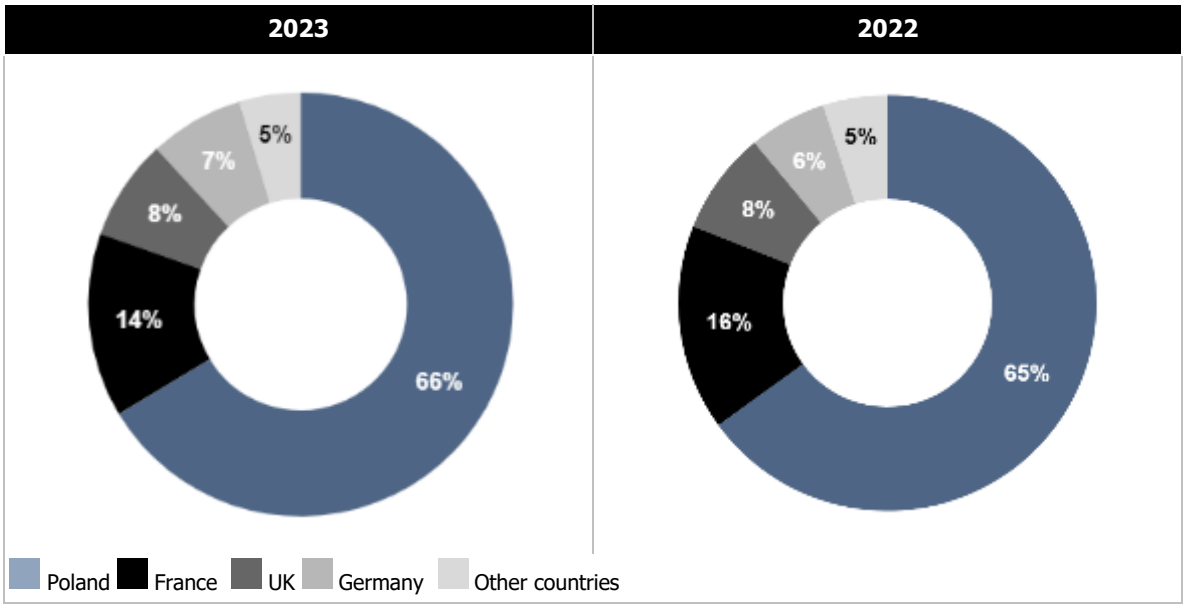
The Wielton Group allows working based on flexible forms of employment, e.g. on the basis of cooperation under a B2B contract. In 2023, 42 people worked for Wielton S.A. on the basis of contracts other than an employment contract. Persons employed under contracts other than employment contracts provided consulting services in the areas of, among others, managerial coaching, management development, project management, coordination of production activities and process optimisation, performance analysis, as well as work planning and organisation, management development and sales strategy. In 2023, 239 people worked for the Wielton Group on the basis of B2B contracts, contracts of mandate or as part of the outsourcing of welding or painting services. The type of work

performed by the persons working for the Wielton Group included activities performed directly in production, support activities in the area of production, managerial and advisory activities within specialised organisational units, as well as research, development and administrative activities.

[GRI 2-7]

The Wielton Group employees are an international team and diverse working environment has a positive effect on employee performance and supports creativity and innovation within the companies. In 2023, the Wielton Group employed employees in Poland, Germany, France, the United Kingdom, Russia, Ukraine, Belarus, Kazakhstan, Italy and Africa. In 2023, the largest number of employees in the Wielton Group were employed in Poland (66.4%), followed by France (14.1%), Germany (7.7%) and the UK (7.2%). The remaining 4.7% of employees were employed in Spain, Italy, Russia, Ukraine, Africa and Belarus.

Countries with the largest share of employees in the Wielton Group



[GRI 405-1]

In 2023, 84.9% of employees employed in Wielton S.A. were men, while female employees accounted for 15.1%. In the case of the Wielton Group, 85% were men and 15% were women. A relatively low percentage of women employed in the production plants of the Wielton Group results from the nature of the Group's business. Women work mainly in white-collar positions, but they also play an important role in production plants, where their work is supported by the implementation of a wide range of solutions which increase the comfort of work through automation of production. At the production plant in Wieluń, where the proportion of women employed was highest, an assembly line for platforms was launched, which contributed to the improved work ergonomics.

Diversity in the Wielton Group

[GRI 3-3] [GRI 405-1]

The Wielton Group promotes the principles of respect for diversity and equal treatment of all employees regardless of gender, age, position or nationality.

[GRI 406-1]

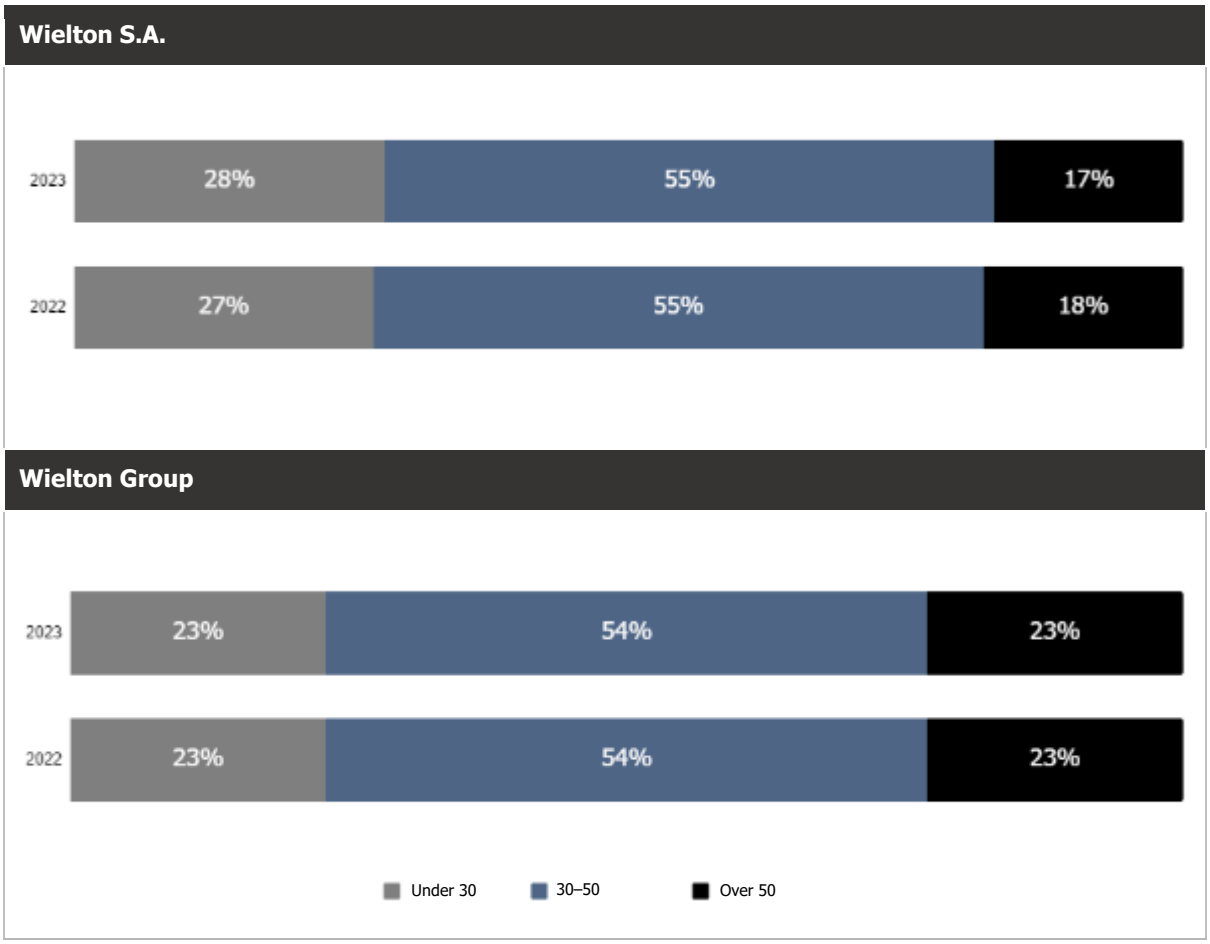
The Policy on Respect for Human Rights of Wielton S.A. defines the rules applicable to all employees of the Company. In accordance with the Policy, the Wielton Group does not accept any behaviour that violates human dignity or any form of discrimination on the grounds of religion, race, ethnic origin, nationality, age, gender, marital status, sexual orientation, political opinions or skin colour. Wielton S.A. undertakes actions and implements procedures to protect employees from discrimination, mobbing and unequal treatment (for more information, see pages 27-29 of the Report). Dedicated procedures also ensure the detection and reduction of cases of behaviour

contrary to accepted standards. A Procedure for reporting law infringements has been implemented in Wielton. The questionnaire is published on the website.

The Wielton Group has been making every effort to ensure comfort of work for its employees from Ukraine since 2021. Representatives of the HR Department support Ukrainian staff in administrative and legal matters. A designated employee in the HR team who speaks Ukrainian provides important support in the adaptation process. In 2023, support continued in finding and subsidising accommodation for full-time employees and in legalising the stay of family members of employees from Ukraine in Poland. Since 2021, Wielton S.A. has had a Polish-Ukrainian dictionary of basic terms and phrases necessary for basic communication and applicable occupational health and safety requirements in place.

In 2023, Wielton S.A. employed 65 people with disabilities, including in the areas of production, logistics, security, administration and sales. At the Group level, 97 people with disabilities were employed in 2023. As part of the Pełnosprawni – Wielton bez barier [Fully able – Wielton without barriers] programme, Wielton S.A. provides employees with disability certificates with benefits in the form of additional financial benefits, the highest package of private medical care and other benefits and privileges in accordance with the laws and regulations of the Ministry of Family, Labour and Social Policy in force in Poland.

Employees of Wielton S.A. and the Wielton Group broken down by age categories



[GRI 405-2]

The Wielton Group ensures equal opportunities and remunerating employees by adjusting the level of remuneration to the position and type of work, skills and experience as well as prevailing market conditions. The Wielton Group is also working towards equal pay. The Group monitors the labour market in the manufacturing industry on a regular basis, conducts salary surveys and analyses benchmark data to ensure the competitiveness of the current remuneration system. Twice a year, Wielton S.A. participates in the salary survey in cooperation with independent external companies. In this way, the Company can position itself in the salary market.

Gender pay ratio in 2023

Category	Wielton S.A.	Wielton Group
Directors	91.66%	79.13%
Senior Managers	92.68%	75.06%
Junior Managers	104.73%	103.57%
Specialists*	67.75%	55.03%
Other	87.93%	87.90%

The gender pay ratio was calculated as the ratio of the average basic salary of women to the average basic salary of men in the employee category.
**The Specialists category includes a group of employees, diverse in terms of education and professional experience, who perform tasks that require specialised expertise in various areas of the Group's business. For this reason, the degree of comparability of salary levels in this category is limited.*

[GRI 2-21]

As at 31 December 2023, Wielton S.A. had a total annual remuneration ratio of 9.1. The total annual remuneration ratio was calculated as the ratio of the annual total remuneration of the best-paid person in the organisation to the median annual total remuneration for all other employees (excluding the best-paid person). The calculation includes salaries of all employees, regardless of the type of contract.

Approach of the Wielton Group to hiring new employees

[GRI 3-3]

In recent years, Wielton S.A. has made a number of changes to support new employees during the onboarding process. In 2022, the HR Department implemented the Onboarding Manual which enables new employees to familiarise themselves with the business and values of the Wielton Group and with the most needed information on employment and workplace conduct. Moreover, the training schedule has been extended to include additional modules. A checklist has also been introduced for the mandatory tasks to be carried out during the first days of work. All new hires undergo training and participate in a series of meetings tailored to the type of their job positions. In 2023, work continued to improve onboarding at Wielton S.A. by, among other things: approving the onboarding procedure, holding workshops with production supervisors and launching two-level post-onboarding surveys. Furthermore, a schedule was prepared for the onboarding of direct manufacturing employees and a workshop was held for production supervisors on instructing employees using the TWI (Training within industry) method. All new hires also undergo training and participate in a series of meetings tailored to the type of their job positions. The scope of the training courses is presented on page 44 of the Report.

Wielton S.A. cooperates with local schools, enabling students and graduates to acquire skills and gain experience through internship programmes and traineeships under the mentoring of experienced employees (for more information, see page 52 of the Report). An internship programme for graduates of technical studies, "Startuj z Wieltonem" ["Start with Wielton"], makes it possible for interns to get to know the selected departments of the Company, i.e. production, production optimisation, robot programming, design and technology, quality control and logistics.

Wielton S.A. has the Znasz-Polecasz [You know-You recommend] referral programme in place, which enables employees to recommend people for work through the referral system. As employees are our best brand ambassadors, the objective of Wielton S.A. for the following years is to strengthen this role. In 2023, 72 employees (37 in the previous year) took up work in the Wielton Group under the referral programme. The buddy function for production employees has also been developed – the role of buddies is to support new employees in the onboarding process, introduce them to the organisation's culture and facilitate contact between

employees, managers and the HR Department. To further improve the onboarding of blue-collar workers, the role of the foreman in the onboarding process has also been clarified - training for foremen in this area is provided on a continuous basis, even during periods without new hires.

[GRI 401-1]

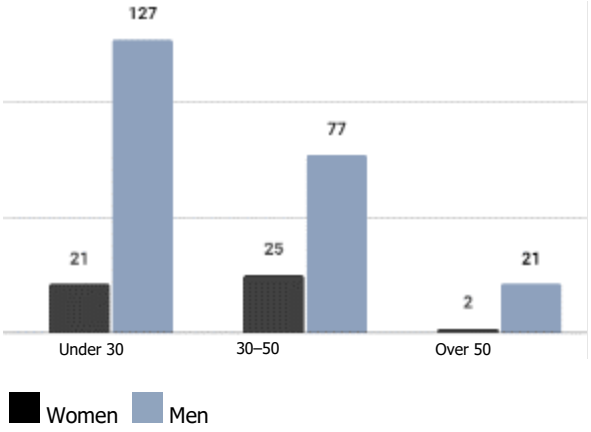
In 2023, Wielton S.A. hired 273 new employees, which accounts for 13.6% of all employees of the Company.

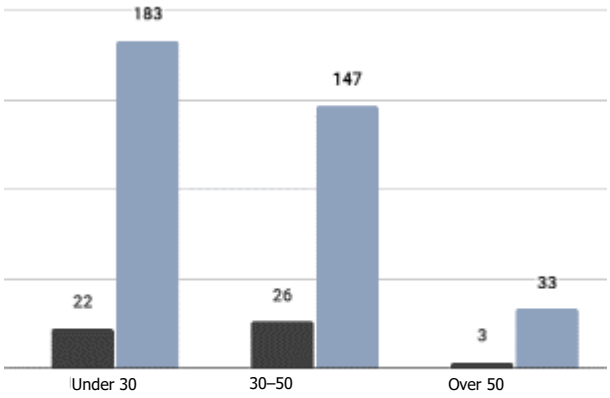
In 2023, 358 employees left Wielton S.A., and the employee turnover ratio was 17.8%, down 5.8 p.p. on the previous year. The decrease in turnover was attributable, among other things, to Wielton's Employer Branding efforts.

In total, the Wielton Group hired 540 new employees (representing 15.7% of all employees of the Group) and 639 employees left. The turnover ratio at the Group level was 18.6%.

Number of new employees broken down by gender and age group in Wielton S.A.

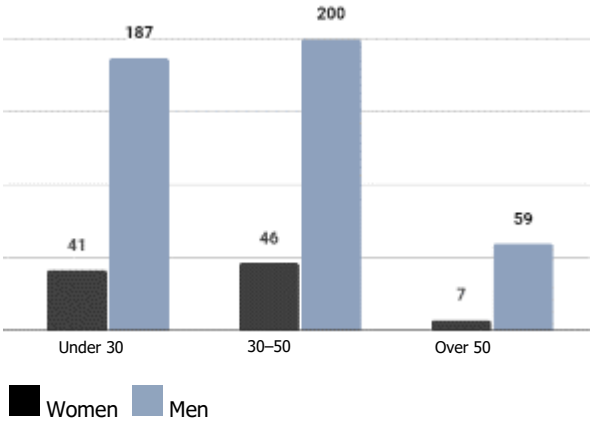
2023	2022
273 new employees | **48** women | **225** men	**416** new employees | **53** women | **363** men

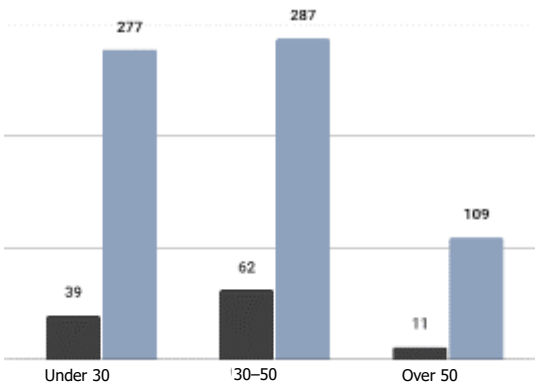




Number of new employees broken down by gender and age group in the Wielton Group

2023	2022
540 new employees | **94** women | **446** men	**785** new employees | **112** women | **673** men





\Number of employees who have left and turnover ratios by gender and age group for Wielton S.A. and the Wielton Group in 2023

	Wielton S.A.		Wielton Group	
Category	**Number of employees**	**Turnover ratio**	**Number of employees**	**Turnover ratio**
Gender				
Women	53	15,9%	95	18,2%
Men	305	18,2%	544	18.6%
Total	**358**	-	**638**	-
Age group				
Under 30	111	10,2%	182	22.6%
30–50	189	32,3%	331	17.7%
Over 50	58	17,2%	126	16,2%
Total	**358**	-	**639**	-

The turnover ratio was calculated on the basis of the total number of employees who left in 2023 divided by the total number of hired employees as at 31 December 2023.

Caring for the development of Wielton employees

One of the priorities of the Wielton Group is to enable employees to develop competences and create an environment conducive to professional development. The Wielton Group employs both experienced employees and persons without prior professional experience. The Wielton Group companies have their own training policies and procedures. In Wielton S.A., the rules for organising training courses for employees were included in the Training Procedure.

Obligatory training

Obligatory training includes induction training which enables white-collar employees to familiarise themselves with the organisational structure, values and culture of the Group and the portfolio of Wielton products. Internal obligatory training also includes initial and periodic OHS training, first aid training and on-the-job training during which employees are familiarised with the basic regulations and principles ensuring safety at the workplace. Obligatory training is also provided with the support of external training providers (e.g. training to obtain welding qualifications, forklift and crane licences). The scope of training related to the maintenance of workplace safety is specified on page 59 of the Report.

When promoted to a management position, each employee is required to undergo internal training on staff management, management tools and Wielton management system, including management by objectives (MBO).

Wielton Academy

The Wielton Academy of Wielton S.A. is a programme of internal training courses on soft and hard skills. Training courses within the Academy are conducted by internal trainers who are at the same time employees of the Company. All in-house trainers have been trained as part of the Train the trainer programme.

In 2023, the Wielton Academy delivered 'hard' training on project management, production line balancing and technical issues such as value stream mapping according to the VSM methodology. They were attended by 14 participants. Soft skills training, on the other hand, attracted 180 employees and covered the topics of constructive feedback, problem solving, time management, employee engagement and key mental models in safety management.

Training courses are also organised with the support of external training centres. In 2023, training courses on software used for production process management, finance, sales training courses, courses on team building and working with emotions and stress were conducted with external support.

Wielton S.A. encourages its employees to learn foreign languages necessary for their current or future position. In 2023, volunteer employees were granted access to English language learning through the Tutlo language platform, which allows for a personalised approach to language development. Language training courses were attended mainly by employees in engineering positions, who also use English during their work, and some members of the managerial staff also use individual conversations.

In 2023, an integration and development workshop of the Operations Division was also held, during which 46 executives were trained. The workshop topics focused on three slogans:

- Leader of the future
- Dream team
- Respect-based trust

As a summary of the meeting, the conclusions and ideas that were developed during the workshop session were presented, areas that were identified as key to improving operational efficiency were identified and the role of the Leader of the Future was discussed and defined. During the workshop, participants were also presented with the Wielton Group Strategy for 2023 - 2027.

Vocational training

Vocational (specialist) training is aimed at improving the qualifications and career opportunities of employees. Training courses are conducted by internal trainers, i.e. heads of individual departments and employees with comprehensive knowledge and skills in a given field, or in cooperation with external training organisations. In 2023, 240 employees of Wielton S.A. received formal qualifications to perform work through the completion of specialist technical training courses organised by external training organisations. Employees acquired the required qualifications that are necessary to perform work, such as operator's licences for forklifts, cranes and jib cranes.

Welding School

Since 2020, Wielton S.A. has had a Welding School in place, dedicated both to Wielton S.A. employees and employees of external companies providing services to Wielton, which provides an opportunity to acquire welding skills and the necessary qualifications. The training is addressed to employees who are interested in expanding their competences, developing in the area of welding and retraining for the Welder's position. Thanks to this project, the Company is able to secure its needs for the Welder position in the face of a shortage of available services on the market.

[GRI 404-1]

In 2023, the average number of training hours per employee at Wielton S.A. was 13.7 (12 in 2022).

The average number of training hours per employee in 2023 in the Wielton Group was 10.7.

Average number of training hours in Wielton S.A. and the Wielton Group

	2023		2022	
	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Women	12.7	11.2	11.5	13.2
Men	13.9	10.6	12.0	10.3

Average number of employees' training hours broken down by job type for Wielton S.A. and the Wielton Group

	2023		2022	
Job type	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Directors	52.8	27.4	43.3	35.8
(Senior and Junior) Managers	5.7	6.3	5.1	5.9
Specialists	6.3	4.9	5.2	6.2
Other employees	17.3	13.3	15.3	11.0

Management of employee performance

Regular assessment of performance and quality of work acts as key support for employees in the context of development and work efficiency. Such evaluation allows employees to receive feedback on their work and to identify opportunities for personal and professional development.

Performance management in Wielton S.A. is a process in which the Company's objectives and strategy are reflected in the tasks of the teams and the objectives of individual employees. This process is also a key tool for communicating the Company's strategy to employees, assessing the performance and competences of team members. The performance management process is based on the "Management By Objectives (MBO) in Wielton" Manual, updated in 2023, which acts as a guide for managers in terms of work assessment, feedback and building a culture of appreciation. The directors attend regular monthly meetings with the Management Board to discuss the Company's performance and key indicators from the scorecard.

In 2023, the employee competency matrix was also updated and work was initiated on polyvalence matrices, with a view to making the workforce more flexible and enabling more effective competency management by production department managers. The project is intended to improve the exchange of knowledge and skills and safeguard the continuity of technical competence.

[GRI 404-3]

In 2023, all Wielton S.A. employees were once again involved in the annual evaluation.

From the perspective of the Wielton Group, the performance management process was carried out in the following companies: Wielton S.A., Wielton Russia, Fruehauf, Langendorf, Aberg Connect, Wielton GmbH and Guillen Desarrollos Industriales. The share of employees who took part in the assessment in these companies amounted to 80.4%, 86.5% of which were women and 79.3% were men. In terms of the type of the position held, the assessment involved 83.3% of directors, 91.6% of (senior and junior) managers, 63.8% of specialists and 83.1% of other employees.

Internal communication strategy

The Wielton Group focuses on transparent and smooth internal communication which not only informs employees about the Group's operations, but also positively affects their sense of inclusion and builds employee involvement during project implementation. The Wielton Group has an Internal Communication Strategy in place, which aims to ensure smooth flow of information, promote cooperation between individual groups of employees, support the achievement of business objectives of the Wielton Group and increase employee involvement. In the last quarter of 2023, a workshop was held by the international Internal Communication Team to update the existing strategy in terms of new generations entering the labour market, digitalisation and streamlining. The refreshed Strategy is scheduled to be implemented in 2024.

Four groups of internal recipients are distinguished at the Wielton Group level, including managers and project managers, Directors of Wielton S.A. and Managing Directors of the Wielton Group companies, employees in other positions and trade union representatives (for Langendorf and Fruehauf). Appropriate communication channels have been developed for each group to allow for effective communication within the Group.

Communication channels within the Wielton Group as part of the Internal Communication Strategy

Internal recipients	Direct communication	Indirect communication	Other communication channels
Employees	Socialising events Team meetings with the manager/department's manager Activities aimed at employee initiatives, i.e. sports competitions, competitions Participation in local initiatives	International Quarterly *On the Road* Information boards	Social media and internal Intranet platform Training courses and workshops

Internal recipients	Direct communication	Indirect communication	Other communication channels
	Participation in exchange programmes for students		
Managers	International functional meetings	Newsletter intended for managers published monthly	Social media Video calls relating to current and completed activities Other employee-related communication channels
Managing Directors	Communication channels listed for other recipients	Communication channels listed for other recipients	Communication channels listed for other recipients
Trade Union Representatives	Formal communication on the basis of local standards	Not applicable	Not applicable

International Quarterly *On the Road*

The international quarterly *On The Road* covers a wide range of issues related to the implementation of the strategy and key projects in the Wielton Group and to employee and social initiatives taken. It enables employees to get to know the activities of individual Group companies, their employees, the environment and culture of the regions in which the Wielton Group operates. The quarterly is published in six language versions. Its preparation and publication is the responsibility of the HR Department of Wielton S.A. in collaboration with the Internal Communication Team and other Group companies.

Additional communication channels at Wielton S.A.

My Wielton mobile app

MyWielton internal mobile app, which was created in 2021, supports internal communication between employees. It contains information about company events and important messages, allows access to the organisational structure, departmental characteristics and manager information within the onboarding process, contains training information and facilitates access to basic personnel data for employees. On 31 December 2023, 1,720 users (86% of Wielton S.A. employees) were using the application. Further development of the application is planned for 2024, as part of a project to digitise internal communications.

HR Newsletter

The *HR Newsletter* aims at informing employees on an ongoing basis about the activities carried out in the Company, and it contains information on available training courses and promotes health and safety at the workplace. Information published every two weeks is placed on information boards in the plants, is available in the *MyWielton* mobile application and is provided to office staff by email correspondence.

The Tell us! Project

In 2023, a pilot tool was implemented at Wielton S.A., allowing all the company's employees to express their opinions and ask questions in an anonymous manner. Dedicated boxes have been prepared at production sites, where employees can drop in cards with their questions or concerns. Responses are provided by posting information on communication boards and a dedicated board. The project involves communication in Polish and Ukrainian.

Wielton Group on social media

The Wielton Group is active on social media, i.e. LinkedIn, Facebook, Instagram and YouTube. The information published is mainly addressed to prospective employees, business partners, representatives and enthusiasts of the transport industry. On each Tuesday and Thursday, as part of the implementation of the Employer Branding Strategy, the content dedicated to employees and concerning employees is published, including ongoing initiatives or promotions.

The Wielton Anatomy project, which enables customers to familiarise themselves with the technology and manufacturing processes, summaries of characteristics of products and systems used in commercial vehicles and to obtain information about the initiatives and activities carried out within the Group, is an important external communication channel of the Wielton Group. Information published within the framework of Wielton Anatomy can be found on YouTube and a dedicated website (www.anatomiawieltonu.pl.

Wielton S.A. has the Policy for Social Media Use in place, aimed at providing a set of practical principles for online activity in order to ensure responsible use of social media by Wielton employees. The scope of the policy covers security issues when using a device at the workplace and ensuring data confidentiality.

Employer Branding Strategy of Wielton S.A.

In 2023, the activities resulting from the Employer Branding strategy implemented in 2021 continued, with the aim of supporting Wielton S.A. in adapting to the current labour market, meeting the expectations of future and current employees and strengthening the Wielton brand. The Wielton Group wishes to adapt to the needs of its employees by guaranteeing stable remuneration, ensuring personal and professional development of its employees and maintaining a friendly and inclusive atmosphere in the workplace in line with the fundamental values of the Group.

Initiatives and activities under the Employer Branding Strategy of Wielton S.A. implemented in 2023:

Internal activities

- An opinion survey involving Wielton employees, Pulse Check, was prepared and conducted.
- The culture of appreciation was developed through:
  - preparation of kudos and an appreciation space (board),
  - preparation of a concept for the recognition of employees with long service and development of a concept for the long-term appreciation of employees
- The "Tell us!" project has been implemented – a pilot tool was implemented at Wielton S.A., allowing all the company's employees to express their opinions and ask questions in an anonymous manner.
- The performance management manual, available to all Wielton managers, and the onboarding manual dedicated to new employees were updated.
- Materials were prepared to unify the brand style in the form of a mini brandbook (Wielton visual identity)

External activities

- SoMe - Social media content on the Wielton work culture, employee achievements, pro-employee measures and the company atmosphere was published.
- An external communication plan on the company blog was implemented.
- Comments were moderated on the company's profile on the GoWork platform - nearly 500 posts were analysed.
- A concept for a careers tab was prepared – modules were developed, texts were prepared and steps were taken to adapt the recruitment system.
- An art competition was organised for children to celebrate Children's Day.
- Bełchatów campaign – an image and recruitment campaign related to the new Wielton Reefer plant was prepared.
- Recruitment and branding microcampaigns were carried out and new recruitment templates and content were developed.

We promote innovation among our employees

The "Poprawiasz-Zyskujesz" ["You improve-You benefit"] streamlining suggestion programme, which was implemented in Wielton S.A. in 2021, allows for searching for new solutions, supporting innovation and improving processes within the Company. Each employee of Wielton S.A. can take part in the initiative. Information concerning the Suggestion System is communicated through information boards located in the plants. Employees can make suggestions by filling in an application in paper form.

In accordance with the implemented procedure for the Wielton Suggestion System Programme, the evaluation team composed of the following persons: Manager, Master, Process Engineer, Quality Engineer, Quality Technician and Planner of a given Production Department verifies the received applications. Qualified employee suggestions are analysed in terms of financial costs and benefits for Wielton S.A. and then they are reviewed by the OHS Department in terms of safety. The final decision on the implementation of the suggestion is made by the director of a given plant.

All employees participating in the competition can receive points exchangeable for a monetary value paid out together with the next monthly salary. The average number of points obtained for suggestions per employee in 2023 was 31 , which was equivalent to PLN 155.

Suggestions in 2023

- Number of suggestions made: 1425
- Number of suggestions implemented: 561
- Number of suggestions pending implementation: 553

The best-rated suggestions are rewarded monthly. In addition, once a year, plant directors select top three suggestions, for which employees receive financial bonuses based on their respective places. The following suggestions were rewarded in 2023:

- The sub-assembly of LD doors and walls on the production floor was organised, reducing transport time and increasing the ergonomics of the assemblers' work.
- Forklift fork taping with felt was introduced, reducing paint damage and facilitating the work of forklift operators.
- A product drag tank was installed, which facilitated inter-station transport and reduced the number of cable failures.

Wielton places great importance on involving employees in the process of continuous improvement and company development. The "*49+*" project, which aimed to optimise Wielton S.A.'s operating costs by implementing employee-initiated savings measures, was completed in 2023. The aim of the project was to generate as much savings as possible, 10% of which was allocated to bonuses for employees who submitted savings ideas. As part of the project, Wielton employees submitted 150 ideas, most of which were implemented. Following the great success of the "*49+*" project, the "*100+*" project was launched in 2023, covering all Wielton Group companies. A new target was set to generate savings worth 100 million through innovative ideas submitted by employees. The employees who were most involved in the project received financial rewards. A total of 10% of the savings generated, or PLN 10 million, was earmarked for employee bonuses.

Caring for the well-being and satisfaction of employees

Wielton employees opinion survey

In 2023, an annual opinion survey involving Wielton employees, Pulse Check, was conducted again. All employees of Wielton S.A. who wanted to share their opinion on the workplace participated in the survey. Employees were informed of the possibility to participate in the survey through all available channels of communication and received a text message to the telephone numbers provided in the HR system. In addition, representatives of the HR Department provided employees with hard copy questionnaires. A total of 659 respondents took part in the survey, i.e. 52.5% more than in the previous year.

The opinion survey involving Wielton S.A. employees was carried out in the form of a survey available online and in hard copy. The questionnaire consisted of closed questions in which the respondents assessed to what extent they agreed with various statements related to work, relations and internal communication. The survey which was based on the Gallup Institute methodology has been prepared and developed in partnership with an external agency.

Based on the conducted survey, Wielton S.A. set objectives and prepared a number of actions to respond to the expectations and needs of its employees. The targeted areas included communication, raising awareness of the Wielton S.A's vision and focus on a common goal, commitment and a culture of appreciation, as well as communication regarding the bonus system.

Building a culture of appreciation

Since 2022, Wielton has been taking steps to develop and improve a culture of appreciation among employees. In 2023, a system of kudos - praise cards that employees can give to each other to appreciate each other - was implemented. The HR team carried out a number of activities to encourage Wielton employees to appreciate their colleagues, including preparing an appreciation space (an appreciation board and kudos with space to write a name), providing information on available solutions to managers, publishing an article on appreciation in On The Road magazine and the MyWielton app, and preparing videos to promote the Appreciation Day.

A concept of activities for the appreciation of long-serving employees and a long-term employee appreciation project was also prepared. The long-term employee appreciation project involves creating awareness and a culture around mutual appreciation throughout the organisation. Every year, on the occasion of the Employee Appreciation Day, appropriate communication is designed to support managers in this process and training cycles are prepared for managers on giving feedback and appreciating employees. For 2024, there are plans to gratify employees who have a long length of service at Wielton through gifts and financial rewards.

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Employee benefits

[GRI 401-2]

The Wielton Group is committed to providing a friendly workplace and takes measures aimed at building involvement among employees. The Wielton Group companies provide full-time employees with benefits in accordance with the laws in force in a given country, offer non-salary benefits and support in the event of difficult professional and private situations.

Employee benefits in Wielton S.A. are offered to all employees regardless of their working time. The benefits offered include, but are not limited to, life insurance and healthcare in the form of a Medicover package including dental services. Employees also have access to Medicover Sport sports packages and subsidised lunches in the company canteen and commuter bus travel. In addition, a Social Fund operates in Wielton S.A. within the framework of which the Company co-finances tourist trips, provides Christmas presents, organises events for children of employees, as well as provides the opportunity to obtain a low-interest loan for renovation works.

What is more, Wielton S.A. allows its employees with at least one year of service at the Company to receive funding for higher education studies in the fields which will enable them to improve their competences related to their role in the Company. The decision on the funding and its amount will be taken by the Member of the Management Board or Director of the Human Resources Management Department, on the basis of the budget for this objective available for the year concerned.

Health promoting campaigns

[GRI 403-6]

In order to encourage employees to be physically active and to ride their bicycles, in addition to providing self-service stations for minor bike repairs at the plants, Wielton S.A. organised the "Functional Bike Day" on 11 May 2023, thanks to the initiative of the OHS Department. During the event, experts shared their knowledge on how to take care of bicycles and provided free checks to Wielton employees.

Trade unions and collective bargaining agreements

[GRI 2-30]

In 2023, 818 employees in Wielton BY, Africa SARL, Fruehauf, Viberti Rimorchi, Guillen Desarrollos Industriales and Langendorf were covered by collective bargaining agreements in the Wielton Group, representing 23.7% of the Group's total workforce. In the largest of the aforementioned companies - Fruehauf and Langendorf - employee representatives are appointed and monthly meetings are held. In the case of employees not covered by collective bargaining agreements, the Wielton Group companies determine the working and employment conditions individually based on local labour law regulations.

Employees of Wielton S.A. are represented by representatives who provide advice and information. As of 1 January 2022, a new four-year term of office of representatives of Wielton S.A. employees began. *HR Business Partners* meet on a monthly basis with employee representatives to discuss current issues and respond to reported initiatives and needs.

Support for local communities

Supporting local communities is one of the Wielton Group's main sustainability objectives as outlined in the Wielton Group Strategy for 2023-2027.

The Social Policy of Wielton S.A. sets the course of action for Wielton S.A. in the social area. Wielton recognises activities carried out in the social area as one of the material elements of the Company's long-term development strategy. The most important objectives set by Wielton S.A. in the social area include ensuring development opportunities to the members of local communities and offsetting the negative impact of the Company's neighbourhood on its direct surroundings.

From the Group's perspective, relations with communities in Wieluń, Poland (registered office of Wielton S.A.) and in Auxerre, France (registered office of Fruehauf) are of particular significance. In these towns, the companies from the Wielton Group are significant employers in relation to the size of the town. In the case of other locations of the Group's production and assembly plants, the impact is relatively smaller.

When carrying out its operations and planning investment projects, the Wielton Group strives to avoid any negative impact on the functioning of local communities, including this related to noise levels, air pollution, unpleasant odours from paints and increased traffic of trucks on local roads. If any such event is reported, control measures and procedures are implemented to eliminate or minimise impediments. We are in constant contact with residents and respond in real time to any disruption resulting from production activities.

Wielton S.A. supports young talent among Polish pupils, students and doctoral students. It cooperates with secondary schools and universities, where it co-creates profiled vocational training classes taught according to a proprietary syllabus and major-oriented specialisations. Combining business and education, in particular academic education, is a valuable source of specialists and future employees of Wielton.

Since 2014, Wielton S.A. has been cooperating with Zespół Szkół Nr 2 im. Jana Długosza [Jan Długosz Complex of Schools No 2] in Wieluń, where it co-creates one of the most modern welding workshops in Poland. This way, students acquire the practical skills necessary to pursue the welding profession. Students get familiar with the technology of designing transport vehicles and the arcana of production company operation, including the activities of the R&D Department. Students of this school can start their vocational training in Wielton S.A. in second class. After graduation, they gain the qualifications necessary to work as an Industrial Maintenance Engineer. In each year of learning, Wielton S.A. covers the costs of full sets of work clothes, lunches, excursions and the welding course and examination, as well as journeyman exams for students from the patronage vocational training classes. More than 90% of the graduates of patronage classes each year join Wielton as employees, continuing their education and development within the organisation.

Cooperation between Wielton and R&D centres provides students with the opportunity to acquire practical knowledge and gain experience during their active participation in the development and research of new products, as part of projects carried out by a professional team of the R&D Department. Within the framework of cooperation with the Silesian University of Technology, young specialists and engineers use the acquired knowledge in practice during traineeships and internships, and can develop their technical creativity. In 2023, Wielton also took part in the Job Fair at the Silesian University of Technology in Gliwice and additionally in the Graduate Talent Days organised in Wrocław, in order to promote Wielton S.A. as a workplace that offers prospects for young professionals. In addition, Wielton S.A. patronises the Quality and Production Management major at the Faculty of Management at Częstochowa University of Technology.

In support of local educational institutions, Wielton S.A., together with the Lodz University of Technology, has been a patron of the applied science class in the Secondary School No 2 in Wieluń since 2018. Students in this class have the opportunity to participate in training courses, visits to industry trade fairs and to acquire the knowledge necessary during technical studies. The curriculum includes advanced mathematics, technical physics, AutoCAD design and English in business. Students also meet with employees of the R&D Department in Wieluń, which allows them to acquire practical knowledge in the area of design and construction of new Wielton trailers and semi-trailers. Upon becoming a patron of the applied science class, Wielton provided its students with the appropriate educational aids and helped adapt the rooms.

In 2023, Wielton S.A. conducted a series of speeches and lectures for students of applied science classes under the patronage of Wielton, organised LEAN workshops for secondary school students and provided awards and diplomas for students starting and finishing education in vocational training classes.

In 2023, the company once again became involved in the Great Orchestra of Christmas Charity by organising a fundraising activities. In addition, Wielton S.A. promoted numerous collections and auctions for employees and their families and organised a collection of plastic screw tops for the Lodz Children's Hospice – Łupkowa.

In 2023, Wielton supported the organisation of the Family Picnic in Wieluń under the slogan "End of summer holidays with Wielton", for which many different promotional zones and attractions were prepared - e.g. the HR zone, where participants could obtain more information about employment at Wielton S.A., the PR zone, where more than 9,000 crocus, narcissus and tulip bulbs were distributed during the picnic. Participation in the event was aimed, among other things, at promoting job offers among the local community - all interested participants could also take a tour of our factory that day. A separate company stand was set up for Wielton S.A. employees, at which various competitions and workshops were held, as well as a games zone, a 360 photo booth and many other attractions. The stage in the Wielton zone, as part of fostering a culture of appreciation, was also the venue for the presentation of awards to employees who have been associated with Wielton for over 25 years, and the whole event ended with a concert by the band Bajm.

Wielton also supported a number of charitable activities including a Christmas food collection, collaboration with the Foundation For Health, and preventive examinations for women. Wielton S.A. has also started cooperation with the Wieluń Land Museum, which involves initiatives to promote events organised by the museum among employees through internal communication channels. As every year, Wielton also sponsored scholarships for three children of our employees with the highest average grade (from primary and secondary schools).

Sectoral responsibility

Wielton S.A. participates in activities supporting the development of the TSL (transport-shipping-logistics) sector, which respond to new trends. In 2023, Wielton S.A. once again took part in the Professional drivers campaign, i.e. the largest CSR campaign in the transport sector. The initiative offers training and free courses for young drivers. Participants have the opportunity to obtain a professional driver certificate confirming their preparation for the profession. The initiative aims to improve road safety and public awareness of the high profile of transport services as a major sector of the economy.

Material risks associated with HR issues

Wielton S.A. identifies, assesses and monitors risks in the HR area. The key risks in the HR area are described below.

Material risks associated with HR issues		
Risk	**Risk description**	**Description of risk management**
Risk of shortage of employees	Risk related to the dynamically changing labour market and problems occurring at many plants, both in terms of acquiring qualified employees and their retention after training. The risk concerns mainly production areas, but it may also affect sales and other business areas.	The Company monitors and actively manages the risk by implementing measures aimed at reducing the probability of its occurrence or mitigating the effects of its occurrence. Measures taken: • development and implementation of the HR Strategy, • acquisition of employees in educational processes, • employment of migrant workers, also in the form of employment contracts, • Employer Branding activities.
Risk of losing key engineering personnel	Maintaining and strengthening the Company's position on the market depends on its innovativeness and ability to implement new design solutions responding to customers' needs. This requires permanent highly qualified engineering staff, which is a demanding group of employees, who can enjoy a rich offer of employers domestically and abroad.	The Company monitors and actively manages the risk by implementing measures aimed at reducing the probability of its occurrence. Measures taken: • updating the remuneration grid based on the market benchmark, • creating opportunities for development (MBO training, implementation doctorates, participation in international projects within the Wielton Group, participation in development projects carried out in partnership with NCRD), • building a friendly organisational culture and creating good-quality jobs.
Risk of wage pressure	The high inflation rate that has continued into 2023 and the increased minimum wage are resulting in higher employee expectations in terms of salary increases, which are reflected in the Group's operating costs.	The Company monitors and actively manages the risk by implementing measures aimed at reducing the probability of its occurrence. Measures taken: • updating the remuneration grid, including job evaluation, • analysing the level of remuneration in relation to the market, • planning salary increases in advance.
Risk of violating the rights of persons performing work (migrants) for the Wielton Group in plants in Poland	The vast majority of people working for the Wielton Group in Poland (migrants) are employed through employment agencies. They often do not speak the local language or are not familiar with their rights. There is a risk that the Company will not be aware of the	The Company monitors and actively manages the risk by implementing measures aimed at reducing the probability of its occurrence. Measures taken: • additional activities dedicated to Ukrainian employees in the onboarding process, • monitoring activities in accordance with the policies and procedures implemented (Policy

Material risks associated with HR issues		
Risk	**Risk description**	**Description of risk management**
	fact that their rights are being violated.	on Respect for Human Rights, Anti-Mobbing Policy, Anti-Corruption Policy), • monitoring the procedure for reporting and investigating violations, • preparing the rules of conduct within the framework of the Code of Conduct.
Risk of mobbing or harassment	This risk occurs in particular in the case of foreign workers who do not have an employment relationship and do not speak the language of the country in which the plant is located.	The Company monitors and actively manages the risk by implementing measures aimed at reducing the probability of its occurrence. Measures taken: • monitoring activities in accordance with the policies and procedures implemented (Policy on Respect for Human Rights, Anti-Mobbing Policy, Anti-Corruption Policy), • monitoring the procedure for reporting and investigating violations, • building a friendly organisational culture where cases of behaviour that shows features of mobbing, harassment or discrimination are not tolerated.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY INTEGRATED MANAGEMENT SYSTEM

Occupational Health and Safety Integrated Management System

[GRI 403-1]

The Wielton Group treats occupational safety topics as one of its priorities, constantly developing and improving its culture and the occupational safety standards in place. All Wielton Group companies operate in accordance with their internal policies on occupational health and safety, while aligning their activities with applicable national laws on workplace safety. In Poland, these laws are regulated in the Labour Code and the Regulation of the Minister of Labour and Social Policy on the general provisions on occupational health and safety.

[GRI 403-7]

Wielton S.A. has safety policies and procedures in place in production and production-related areas. As part of the Integrated Management System implemented, Wielton S.A. strives to ensure and continuously improve safe working conditions. The Company has also implemented the Quality Management System in Welding in compliance with the ISO 3834-2:2021 standard, which has been audited by the Certification Body of the Office of Technical Inspection (UDT-CERT).

The occupational health and safety management system implemented and certified in Wielton S.A., compliant with ISO 45001: 2018, forms a part of the Integrated Management System and meets the requirements of European standards for the management of occupational health and safety issues. The system emphasises the importance of availability of communication channels, expanding competencies through cyclical training courses and building safety awareness in the workplace.

The following procedures concerning occupational health and safety have been implemented as part of the Integrated Management System in Wielton S.A.:

- OHS & Environment Paper,
- Procedure in case of an accident at work, an accident on the way to or from work, and occupational disease,
- Instruction for reporting accidents and near misses,
- Manual for securing fire-hazard works,
- Near Miss Report,
- Notification of an Accident at Work,
- Explosion Protection Document,
- Monitoring and measurements in the OHS system,
- Identification and assessment of occupational risk for individual technical positions,
- Rules of moving around the production areas,
- OHS workplace instructions for individual positions,
- Conformity assessment of the OHS management system,
- Explosion risk assessment,
- Quality Manual,
- Instruction for moving around the plant,
- Integrated Management System (IMS) Policy of Wielton S.A.

[GRI 403-8] [GRI 403-4] [GRI 403-3]

The Integrated Management System Policy in Wielton S.A. applies to all employees of Wielton S.A., persons rendering services to the Company, student trainees and persons moving around the Company's premises.

The Director of the OHS, Environmental Protection and Fire Protection Department, supervised by the Chief Operating Officer/Member of the Management Board of Wielton S.A., is responsible for coordinating the tasks related to OHS, environmental protection and fire protection in Wielton S.A. Aielton S.A. also established the Occupational Health and Safety Committee, chaired by the Chief Operating Officer, composed of representatives of the employer and employees.

Employees of the OHS Department form an opinion-making and advisory body on occupational health and safety issues for employees. In order to improve the employees' health and safety conditions, periodic occupational risk assessments, tests and measurements of harmful factors are carried out. The tasks of the OHS Department also include periodic verification of the maintenance of occupational health and safety in all locations on the plant premises.

Employees of Wielton S.A. are covered by voluntary health insurance. Employee health data are protected in accordance with the Personal Data Protection Security Policy.

Risk identification and analysis

[GRI 403-2]

The Wielton Group periodically identifies opportunities and risks related to workplace safety. The identified risks are analysed and measures are taken to improve the safety of the Wielton Group employees. Wielton S.A. identifies, assesses and actively manages workplace safety risk. In addition, a new uniform scoring for OSH and environmental protection has been introduced in 2023 as part of production department audits, offering an index-based determination of the level of OSH in a specific department.

In 2023, Wielton S.A. carried out updated occupational risk assessments for production positions that had undergone significant changes in the work process and for new positions. The organisation also carried out tests and measurements of factors harmful to health in the working environment for selected production positions. Occupational health and safety risks identified by the Company include:

- **Risk of accidents at work**

  The risk of an accident at work has been assessed as high. The Company manages this risk by controlling compliance with the established rules of OHS and ergonomics in the workplace. Appropriate occupational health and safety training is required before the commencement of work. For all positions (including welder, varnisher, machine operator, assembler, logistics operator), workplace manuals have been developed, which aim at familiarising employees in detail with the principles of occupational health and safety in their positions.

  Wielton S.A. has a procedure in place that describes in detail the system for reporting and further handling accidents and near misses. In the event of an accident or near miss, the manager of the organisational unit concerned prepares an analysis of the causes and effects of the event and recommended preventive actions are developed. These actions are immediately implemented and their status is monitored on a regular basis.

  During regular awareness training, employees are informed about the significance of reporting accidents and near misses, which contributed to an increase in the number of noticed and reported near misses. In the event of a threat to the workplace, employees have the right to interrupt their work, in order to eliminate the threat, without any consequences.

- **Risk of occupational disease**

  The risk of occupational disease has been assessed as low by Wielton S.A., and the Company takes steps to prevent occupational disease. These include monitoring of compliance with the applicable rules of OHS and ergonomics in the workplace, regular measurements of factors harmful to health and the use of personal and collective protection measures.

- **Risk of fire, failure, explosion or construction disaster**

  The risk of failure, explosion or construction disaster has been assessed as low, while the risk of fire has been assessed as significant. As part of managing these risks, the Company has implemented a number of procedures and organisational solutions (including a procedure for fire-hazard works) and it performs activities aimed at shaping the attitudes of employees towards safe work.

Ensuring a high level of safety and shaping a responsible attitude of employees during their work is one of the priorities of the Wielton Group. Monitoring and measurement procedures aim at continuous control of compliance with legal requirements, implemented internal regulations and obligations arising from the Integrated Management System policy.

The Company performs regular audits which verify the correctness of work in accordance with the implemented procedures that comply with ISO 45001:2018. Managers of individual departments are required to immediately implement corrective actions based on the results of audits.

Safety-related communication

[GRI 403-4]

Employees are informed about the risks related to their work, changes in the risk assessment and the implemented corrective measures on an ongoing basis. Employees can also consult occupational health and safety issues with the Integrated Management System Specialist, OHS Department employees or the Occupational Health and Safety Committee. Employees also participate in regular meetings during which near misses and accidents at work are discussed. OHS and environmental communication is sent via email to employees in administrative positions to supplement information on key OHS and environmental initiatives and activities.

In 2023, Wielton S.A.'s OHS department has taken a number of measures to minimise the hazards present at workstations and raise awareness of a safe workplace among all employee groups. As a result, the organisation has managed to reduce the number and severity of accidents by around 50% year-on-year.The key measures that have been implemented in this respect include risk reduction activities aimed at improving the comfort and safety of employees and campaigns to build awareness of a safe workplace:

Risk reduction measures	In 2023, as part of a comprehensive occupational risk assessment for all Wielton S.A. plants, a measurement and acoustic analysis of noise intensity was carried out at Plant 1 in Wieluń to identify and reduce excessive noise at workstations. Following the analysis, steps were taken to reduce the noise intensity at workstations, including: installing rubber bumpers on the stands, purchasing quieter cordless grinders, enclosing containers for depositing openwork after firing on the laser burner, and using instruments with rubber pads for knocking out parts. Flexible barriers were also installed in sensitive areas at Plants 1 and 3, and intelligent mirrors with a projector were installed in the production halls of Plants 1 and 2, thus reducing the risk of vehicle collisions at intersections and increasing traffic safety for forklifts and pedestrians. The establishment of a Rescue Group at Wieluń Plant 2 in April 2023 was another initiative to reduce risks and increase occupational safety. The task of the Rescue Group members is to provide emergency first aid to employees and third parties and fire protection at workplaces. Following the establishment of the new Rescue Group, there are currently 18 rescuers at Site 1 and 30 rescuers at Site 2. Five new AED defibrillators were also purchased and installed at Plants 1, 2 and 3 and at the Finished Goods Warehouse in Widoradz.
Measures to improve the comfort and safety of employees	To facilitate access to PPE in selected production departments, automation of PPE dispensing in the form of vending cabinets was introduced, with a total of 6 cabinets implemented in 2023. In 2023, in order to improve employee comfort, eye examinations were conducted and more than 300 corrective and protective glasses were purchased for direct and indirect production employees. As part of the promotion of a healthy lifestyle among Wielton S.A. employees, a bicycle day was organised on the company's premises in May 2023. During this event, each employee could come with their own bicycle for a basic check-up performed by a specialist service provider.

Promoting workplace safety	In 2023, Wielton S.A. implemented numerous initiatives promoting workplace safety. Safety Days were held, during which there were work-at-height simulations, first aid demonstrations, firefighting demonstrations, a crash and rollover simulator, demonstrations on the effectiveness of personal protective equipment and a healthy eating zone was available. A number of OHS competitions were also organised for administrative employees during the year, which covered first aid, fire safety, traffic rules, etc. In October 2023, members of the Wielton S.A. Rescue Group participated in the event "Breaking the Guinness World Record for Simultaneous Cardiopulmonary Resuscitation"organised in Łódź. The campaign aimed to popularise first aid activities and break the Guinness World Record for simultaneous CPR, which was accomplished during the event.

OHS training

[GRI 403-5]

Wielton S.A. attaches great importance to the acquisition of new knowledge and the development of competences by its employees in the field of occupational health and safety. The Company's programme of training on occupational health and safety includes initial, periodic, awareness and specialised training depending on current demand.

OHS training is a key element of the onboarding process and its scope and frequency depend on the position. All newly hired employees participate in the initial training. Every employee receives detailed on-the-job training, while for employees who work with handling equipment (cranes, lifting trolleys, work platforms), training courses are organised to improve their qualifications and ensure licences in this respect.

All employees of Wielton S.A. are covered by the periodic training system. The frequency of the training courses depends on the position. Periodic training for blue-collar employees is organised every 3 years and for the management and administrative personnel – every 5 years. Specialist training on the operation of machinery and equipment used in the plant – forklifts, cranes, winches and platforms, as well as training courses of the Association of Polish Electrical Engineers ending with an examination before the Power Engineering Qualification Commission are carried out in partnership with the Office of Technical Inspection (UDT). All occupational health and safety training courses are paid by the employer and are held during employees' working hours.

After completing a specialist training, employees taking up a new position take an exam and obtain a certificate in accordance with the content of the training, equivalent to a work licence. Such qualifications are time-limited and require cyclical renewal in order to continue working in a given position.

[GRI 403-6]

In order to ensure safety and raise awareness among employees at Wielton S.A., a number of additional training courses were carried out in 2023 on the initiative of the OHS department, in addition to the obligatory training courses.

- **Awareness training for employees in production zones**

  In 2023, a series of awareness training sessions were held for direct production employees, which covered safety topics such as the use of the required personal protective equipment, rules for moving around the production halls or hazards present at workplaces. The training sessions were organised and conducted by Wielton's OHS department.

- **System trolley evacuation training**

During the year, training in evacuation from a system trolley was also provided twice to employees of the logistics departments working in the high-bay warehouses and to members of the Rescue Group operating in Wielton's production facilities. The training courses were organised by Wielton's OHS department and delivered by third-party instructors.

- **First aid and fire protection training**

A number of first aid and fire safety training courses were also delivered by third-party instructors. The training courses were intended for both direct and indirect production employees as well as administrative staff, on the assumption that the topics discussed in the training courses are fundamental in creating a safe workplace and every employee should be familiar with them.

Accidents and occupational diseases reported

[GRI 403-9]

The Wielton Group regularly monitors the number of accidents and implements preventive actions aimed at minimising the risk of their occurrence in the future. Wielton S.A. has a number of procedures in place, which are aimed at mitigating the risk of an accident or occupational disease and specify detailed rules of conduct in the event of their occurrence ("Procedure in case of an accident at work, an accident on the way to or from work, and occupational disease").

In 2023, the number of accidents at Wielton S.A. decreased significantly year-on-year –there were 16 light accidents classified as accidents without health impairment and no accidents with serious consequences in Wielton S.A.. The accident rate for all accidents was 5.06. The main risks that have contributed to injuries are the fall of objects and the impact of movable or immovable objects. The Wielton Group recorded 375 light accidents and 42 accidents with serious consequences. The accident rate for work-related accidents with serious consequences was 7.65, and for all accidents – 75.91. 80% of accidents occurred in Fruehauf, where, based on the analysis performed, actions to increase safety were identified and a number of steps were taken to reduce the number of accidents in 2024, including risk assessment, communication support among employees and OHS training. In addition, OHS committee meetings were held once a quarter, and a weekly review of COMEX-level accident indicators was implemented and the accident analysis process was updated to include causes and corrective actions implemented. The types of injuries recorded in 2023 in the Wielton Group included mainly palm injuries, eye dusting with metal filings, shocks and slipping.

For non-employee workers of Wielton S.A., no accidents were reported in 2023. From the Group's perspective, there were 153 light accidents and 17 accidents with serious consequences for the same group of workers.

Number of work-related accidents and accident rates for Wielton S.A.

	2023	2022
Employees of Wielton S.A.		
Number of fatal accidents	0	0
Number of reported accidents at the workplace (light accidents)	16	27
Number of work-related accidents with serious consequences	0	1
Total number of accidents	**16**	**28**
Number of hours worked (h)	3,161,582	3,335,900
Accident rate for work-related accidents with serious consequences	**0,00**	**0.30**
Accident rate for all accidents	**5.06**	**8.39**
Persons working for Wielton S.A. who are not employees		
Number of fatal accidents	0	0
Number of reported accidents at the workplace (light accidents)	0	6
Number of work-related accidents with serious consequences	0	0
Total number of accidents	**0**	**6**
Number of hours worked (h)	762,523	867,500
Accident rate for all accidents	**0.00**	**6.92**

Number of work-related accidents and accident rates for the Wielton Group

	2023	2022
Employees of the Wielton Group		
Number of fatal accidents	0	0
Number of reported accidents at the workplace (light accidents)	375	345
Number of work-related accidents with serious consequences	42	53
Number of accidents	**417**	**398**
Number of hours worked (h)	5,493,559.1	5,322,764
Accident rate for work-related accidents with serious consequences	**7.65**	**10.61**
Accident rate for all accidents	**75.91**	**74.77**
Persons working for the Wielton Group who are not employees		
Number of fatal accidents	0	0
Number of reported accidents at the workplace (light accidents)	153	224
Number of work-related accidents with serious consequences	17	42
Number of accidents	**170**	**266**

Accident rate was calculated on the basis of the total number of accidents at work in the reporting year divided by the total number of hours worked, and then multiplied by the adopted number of hours worked in the same reporting year (1,000,000). The number of hours worked was calculated on the basis of the average number of hours worked per week (based on available, up-to-date sources for EU countries and legal regulations for non-EU countries) and multiplied by the number of working weeks during the year (46 working weeks were adopted).

[GRI 403-10]

In 2023 and in the previous years (2019–2022), no fatalities or occupational diseases occurred in Wielton S.A. In the Wielton Group, seven cases of occupational illness (carpal tunnel syndrome at Fruehauf SAS) were reported in 2023.

CLIMATE AND ENVIRONMENTAL IMPACT

ENVIRONMENTAL PROTECTION MANAGEMENT SYSTEM
SUSTAINABLE PRODUCTION
ANALYSIS OF PHYSICAL AND TRANSITION RISKS
ENERGY CONSUMPTION
GREENHOUSE GAS EMISSIONS AND AIR POLLUTION
CONSUMPTION OF MATERIALS AND COMPONENTS
WATER AND EFFLUENTS MANAGEMENT
WASTE MANAGEMENT

Environmental protection management system

Environmental management in Wielton S.A. is governed by legal requirements and the Management System Manual in the area of occupational health and safety and environmental protection that was implemented as part of the Integrated Management System Policy. As part of the Integrated Management System Policy, Wielton S.A. has committed to:

- reduce negative impact on humans and the environment,
- reduce the use and emission of harmful substances,
- reduce energy consumption,
- reduce waste generation,
- ensure effective water and sewage management.

Wielton S.A. has a system for process improvement, Wielton Quality, which is consistent with the above-mentioned policy (for more information, see pages 31–32 of the Report). The ISO 14001:2015 environmental management system implemented and certified in Wielton S.A. supports operational processes aimed at preventing pollution which poses a risk to the environment. Supervisory audits, carried out every year, are aimed at the continuous optimisation of processes. After three years, a recertification audit is conducted. This audit confirms a long-term engagement in the Environmental Management System.

Wielton's impact on the environment and the achieved effects of pro-environmental activity are monitored on a regular basis. As part of the Integrated Management System, 35 environmental aspects which the Company affects and which it monitors were identified. In order to confirm compliance of the activities carried out with the Company's procedures, departmental audits are carried out to check the manner of energy management, waste management or chemical substances management.

The Environmental Protection Specialist is responsible for conducting and supervising the implemented and planned activities in the area of environment in Wielton S.A.

Environmental management in the Wielton Group is governed in each company by legal requirements and individually implemented policies, management systems and procedures relating to environmental protection, adapted to the relevant national regulations.

Sustainable production

The Wielton Group's operations have a direct and indirect impact on the environment.

The indirect impact on climate change mitigation is far more important than the direct impact, primarily due to the intensity of use of the Wielton Group's products and their long life cycle.

Indirect impact on climate change is associated with the design and construction of semi-trailers and trailers so that they contribute to reducing greenhouse gas emissions in transport. Using the Group's in-house research and development centre, the Group aims to ensure that new vehicles introduced onto the market are characterised by a reduced tare weight, which makes it possible to reduce the fuel consumption of tractors equipped with internal combustion engines, and ensures less wear and tear on tyres, as well as increased vehicle payloads, thereby reducing the number of runs. At the request of its customers, Wielton S.A. also fits its vehicles with telematics devices, enabling users to better manage their fleet of vehicles. The group also ensures that the changes made increase the efficiency of the production process itself and reduce the use of materials such as steel and aluminium.

The direct impact on climate change and other environmental impacts is related to the Group's operational and production activities. This includes aspects such as atmospheric greenhouse gas emissions, water consumption, generation of waste water and production waste, and consumption of raw materials in the production process.

The Wielton Group implements innovative solutions in production processes which contribute to the reduction of energy consumption and material intensity. One of these is the implementation of hydroforming (sheet extrusion) technology supported by laser cutting technologies, which are used to manufacture steel components for semi-trailers and trailers. For more information on this project, see page 21. The Wielton Group also improves friction welding processes, e.g. by using Friction Stir Welding (FSW). The technologies listed as examples above make it

possible to reduce energy consumption and thus reduce the carbon footprint. In addition, in its production processes, the Wielton Group strives to reduce the amount of materials used, mainly metals with significant carbon footprint of the product.

In an effort to reduce waste generated during production, Wielton S.A. implemented, among other things, a project to optimise the number of moulds cut from a single sheet. The effects of the implementation will be noticeable in 2024. The initiative was implemented as part of the 100+ Project, which aims to involve employees in initiating cost-saving projects. For more on the 100+ Project, see pages 49-50.

As part of its efforts to reduce energy consumption and carbon footprint emissions, the Wielton Group replaces gas and coal heating facilities with solutions powered by electricity sourced partly from photovoltaic installations. In addition, Wielton S.A.'s paint shop will use a recuperation installation to recover heat from production processes and use it for heating the premises. This measure is a climate change mitigation factor.

Semi-trailer refurbishment project

The implementation of Wielton's ESG strategy includes the transition to a circular economy. This includes a number of initiatives, including a semi-trailer and trailer refurbishment programme. The use and life cycle of a fixed asset in a transport company depends to a large extent on critical moments of the need to refurbish the equipment. In 2023, the Wielton Group performed analyses of products and the reuse of components in products. With regard to the continuation of activities in the area of recycle - refurbish - reuse, the company Retrailer was established to operate in the area of product refurbishment, component reuse, and recycling. In addition, the Wielton Group was engaged in activities involving the sale of used semi-trailers and trailers, as well as in the area of refurbishing and reconditioning semi-trailers on customer orders.

Analysis of physical and transition risks

The Wielton Group has analysed the impact of physical and transition risks on the Group's operations, and assessed the resilience of the Group's business model to climate change. The analysis considered two scenarios, each in two time horizons, i.e. in the medium term (less than 10 years) and in the long time horizon, i.e. more than 10 years (until 2050). The analysis was based on climate change scenarios published by the IPCC[1].

The first scenario, i.e. RCP[2] of 2.6 means a reduction of radiative forcing to 2.6 [W/m^2] in 2100 and a slowdown of global warming in the middle of the century. It is assumed that the amount of CO_2 will stabilise at 400 ppm at the end of the century and that the average temperature increase of 1.5°C as compared to the pre-industrial era will be maintained.

The second scenario, i.e. RCP of 8.5 means maintaining the current growth rate of greenhouse gas emissions in the "business as usual" formula. It is assumed that at the end of the century, the level of CO_2 concentrations will reach approx. 940 ppm and radiative forcing will amount to 8.5 [W/m^2]. The Earth's average temperature will increase by 4.5°C as compared to the pre-industrial era. This scenario means an irreversible destabilisation of the Earth's climate with the probability of 95%.

In both cases, the following risks were considered:

- physical risks, both chronic and sudden, and their impact on the operations of the Wielton Group in terms of any threat to the value of assets (e.g. damage to buildings, including warehouses or plants) and business interruptions (loss of revenue);
- transition risks.

In the short term, transition risks related to changes in the market and ESG regulatory changes will have a direct impact on the business (e.g. restrictions, charges, increasing legal requirements for raw material and waste

[1]IPCC – Intergovernmental Panel on Climate Change – a scientific and intergovernmental advisory body of the United Nations

[2]RCP – Representative Concentration Pathways – a scenario of carbon dioxide concentration changes, approved by the Intergovernmental Panel on Climate Change

management, recovery and reuse of raw materials). The Wielton Group values this impact at an average level with an upward trend, whereby:

- in the scenario with RCP of 2.6, intensification of climate, environmental and other ESG-related activities is expected, and therefore the valuation (impact) of this risk is likely to increase in both the medium and long term;
- in the scenario with RCP of 8.5, which assumes "business as usual", there will be no intensification of climate action as compared to the present, thus these risks are expected to remain unchanged.

The risk associated with a change in consumer behaviour should be very similar to the transition risk in terms of the direction of changes. The RCP 2.6 scenario assumes that customers will choose low-carbon solutions much more frequently, which in turn will force companies to incur additional expenditures and take innovative climate and environmental measures. Such customer behaviour will directly translate into the activities of the Wielton Group.

- The impact of physical risks (violent storms, heat waves, droughts) is valued at a medium level. In the scenario with RCP of 2.6, climate and environmental actions taken should reduce (in the long term) the frequency and impacts of physical events related to climate change.
- In the scenario with RCP of 8.5, which assumes "business as usual", i.e. it assumes that climate and environmental actions will not be sufficiently intensified, there will be an increase in the frequency and severity of physical risks related to climate change (both in the medium and long term).

Energy consumption

[GRI 3-3] [GRI 302-1] [GRI 302-4]

The production activity of the Wielton Group is characterised by high energy intensity. In order to increase energy efficiency, the Group constantly modernises and optimises its technological processes. In 2023, a number of initiatives have been implemented that have resulted in a reduction in energy consumption and, in turn, a reduction in greenhouse gas emissions:

- Commissioning of new photovoltaic micro-installations - 7 photovoltaic micro-installations were commissioned at Wielton S.A., generating nearly 40 MWh of electricity.
- Installation of motion sensors and twilight switches - the installation of these devices in corridors, warehouses and staff rooms makes it possible to effectively reduce electricity consumption by the automatic control of lighting.
- Installation of frequency converters and upgrade of the electrical installation on the KTL (cathodic dip coating) furnace - this project aims to reduce natural gas and electricity consumption by optimising the operation of the heating equipment.
- Retrofitting the central heating system at the Z2 plant with a weather station - this allows for improved control and optimisation of the heating system, which contributes to more efficient energy consumption.
- Commissioning of the SCADEN system, which enables detailed analysis and control of electricity and natural gas consumption to identify areas for further optimisation.
- The metering of the consumption of technical welding gases at the Z1 plant, making it possible to effectively monitor and control the consumption in industrial processes.
- Introduction of a speed limit for truck tractors from 90km/h to 85km/h. A 5km/h speed limit will save 0.8l/100km, resulting in an annual saving of 28,800 litres.

Total energy consumption

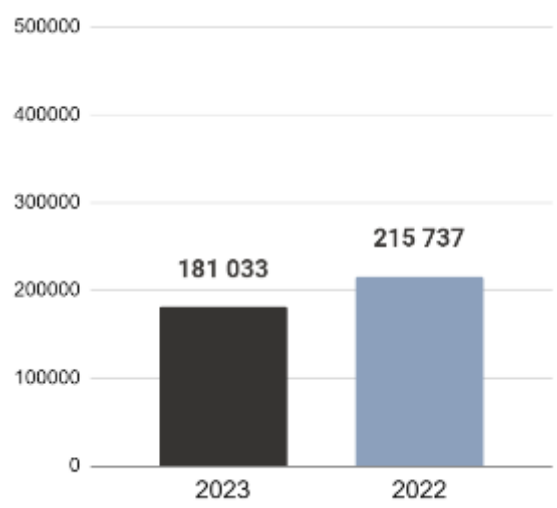
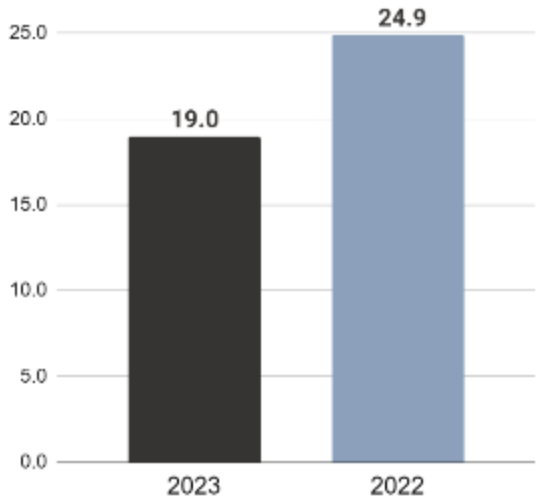
Total energy consumption of the Wielton Group includes the consumption of fuels and energy from renewable and non-renewable sources. Renewable energy in the Wielton Group is generated through the use of photovoltaic panels at the Guillén Group (nearly 300 MWh, representing more than 50% of the electricity consumed in Guillén) and at Wielton S.A., where nearly 40 MWh of electricity was generated in 2023.

In 2023, the total amount of energy consumed at Wielton S.A. was 181,033 GJ, down 16% on 2022. This shows that the energy-oriented initiatives launched at Wielton S.A. are yielding tangible benefits. The energy intensity ratio per product sold was 19.0 GJ/unit of product, down 24% on 2022.

In 2023, total energy consumption for the Wielton Group amounted to 315,235 GJ. The initiatives launched have reduced total energy consumption by 19% relative to 2022.The energy intensity ratio per product sold in the Wielton Group is 15.0 GJ/unit of product, representing a decrease by nearly 11%.

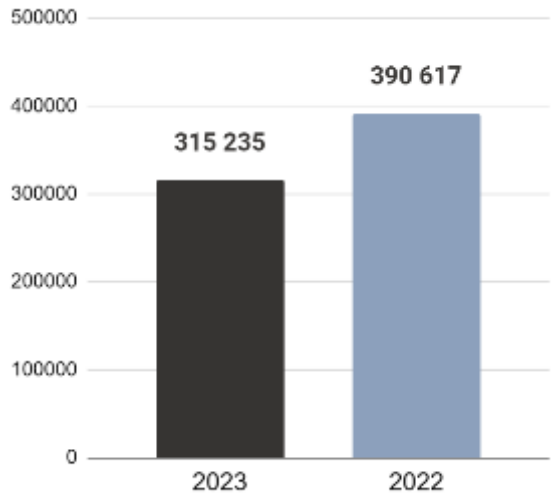
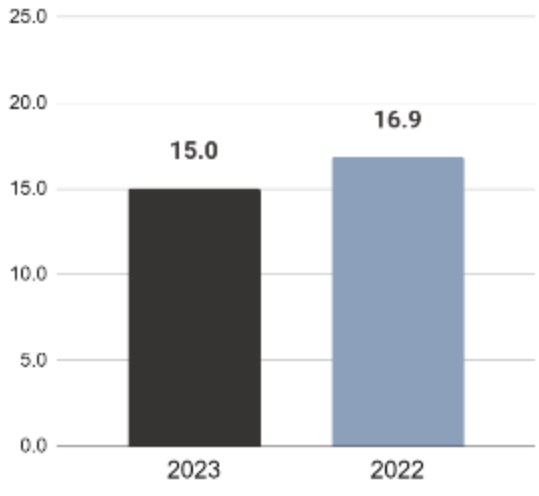
Total energy consumption and energy intensity per unit of product sold for Wielton S.A.

[GRI 302-1] [GRI 302-4]

Total energy consumption [GJ]	Energy intensity ratio [GJ/unit of product]
	

Total energy consumption and energy intensity per unit of product sold for the Wielton Group

[GRI 302-1] [GRI 302-4]

Total energy consumption [GJ]	Energy intensity ratio [GJ/unit of product]
	

Total energy consumption in the Wielton Group was calculated based on energy consumption in the following companies: Wielton S.A., Wielton Logistics, Lawrence David, Viberti Rimorchi, Langendorf, Fruehauf, Wielton Russia, Wielton Africa, Wielton Ukraine, Wielton Slovakia, Wielton Belarus and Guillén.

Fuel consumption

At the Wielton Group, fuels are used for production processes and for heating buildings, and energy is mainly obtained by burning natural gas and hard coal. A variety of fuels, such as diesel, LPG and petrol, are used to transport vehicles owned by Group companies, as well as leased vehicles, depending on the needs and specific characteristics of the vehicles.

In 2023, the Wielton Group consumed a total of 209,088 GJ of fuels (22% less than in 2022), including 100,808 GJ of natural gas, 32,564 GJ of coal, 56,246 GJ of diesel, 9,438 GJ of LPG, 9,312 GJ of petrol, 494 GJ of propane and 226 GJ of fuel oil.

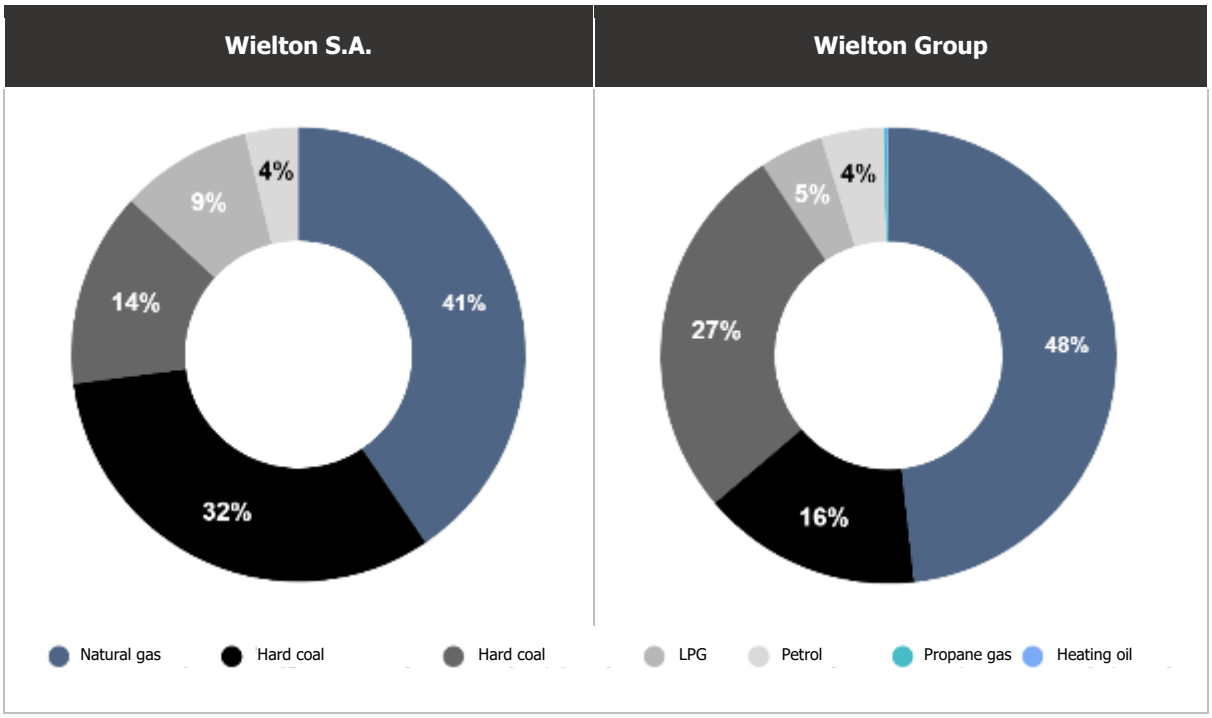
Wielton S.A. burns hard coal and natural gas to generate energy (in addition to photovoltaic installations). Electric heaters are used in plants. Wielton S.A.'s total fuel consumption in 2023 was 100,609 GJ (down 23% on 2022), including 40,797 GJ of natural gas and 32,564 GJ of hard coal.

Fuel consumption in Wielton S.A. and in the Wielton Group

Fuel consumption	Unit	2023		2022		Change %	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Natural gas	GJ	40,797	100,808	46,859	131,576	-13%	-23%
Hard coal	GJ	32,564	32,564	56,085	56,085	-42%	-42%
Diesel oil	GJ	13,966	56,246	14,663	66,147	-5%	-15%
LPG	GJ	9,438	9,438	10,139	10,139	-7%	-7%
Petrol	GJ	3,844	9,312	3,262	5,187	18%	80%
Propane gas	GJ	-	494	-	-	-	100%
Heating oil	GJ	-	226	-	-	-	100%
Total fuel consumed	**GJ**	**100,609**	**209,088**	**131,008**	**269,134**	**-23%**	**-22%**

The total value of fuel consumption in the Wielton Group was calculated on the basis of fuel consumption in the following companies: Wielton S.A., Aberg Connect, Wielton Logistics, Lawrence David (including Roscope Limited), Viberti Rimorchi, Langendorf, Fruehauf, Wielton Russia (including Wielton Kazakhstan), Wielton Africa, Wielton Ukraine, Wielton Slovakia, Wielton Belarus, Guillén.

Percentage of fuel consumption for Wielton S.A. and the Wielton Group in 2023



Total fuel consumption in the Wielton Group was calculated on the basis of fuel consumption in the following companies: Wielton S.A., Lawrence David (including Roscope Limited), Viberti Rimorchi, Langendorf, Fruehauf, Wielton Russia (including Wielton Kazakhstan), Wielton Slovakia, Wielton Africa, Wielton Ukraine, Wielton Belarus, Guillén.

Electricity consumption

In 2023, the Wielton Group consumed a total of 106,147 GJ of electricity (13% less than in 2022), with 1,203 GJ produced by its own photovoltaic installations and the remainder of the energy (104,944 GJ) purchased. For the electricity purchased, 315 GJ originated from renewable energy sources (RES) under contracts with energy operators.

At Wielton S.A., total electricity consumption in 2023 stood at 80,424 GJ, with 141 GJ sourced from the company's own photovoltaic micro-installations. It is worth noting that for purchased energy, renewable energy sources accounted for 27% of the supplier's energy mix, which was included in the carbon footprint calculations, using the market-based method. Wielton S.A.'s electricity consumption was reduced by 5% relative to 2022.

Electricity consumption for Wielton S.A. and the Wielton Group

Energy type	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Electricity	GJ	80,424	106,147	84,729	121,483

Total energy consumption in the Wielton Group was calculated based on energy consumption in the following companies: Wielton S.A., Lawrence David (including Roscope Limited), Viberti Rimorchi, Langendorf, Fruehauf, Wielton Russia (including Wielton Kazakhstan), Wielton Africa, Wielton Ukraine, Wielton Slovakia, Wielton Belarus, Guillén.

Greenhouse gas emissions and air pollution

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-7]

Carbon footprint reduction is one of the Wielton Group's strategic objectives. In pursuit of this objective, measures are being taken to reduce greenhouse gas emissions from technological processes as well as the heating of production halls. Initiatives to reduce the amount of fuel and energy consumed, as described in previous sections of this chapter, contribute to reducing greenhouse gas emissions.

The Wielton Group calculates its carbon footprint in scope 1 (direct emissions), scope 2 (indirect energy emissions) and scope 3 (other indirect emissions).

- Within scope 1, the carbon footprint is calculated for the combustion of fuels in stationary installations (heating boilers fueled with natural gas, heating oil, propane and hard coal) and in mobile sources – in vehicles used by companies (diesel oil, gasoline, LPG).
- Scope 2 covers emissions from purchased electricity.
- After the materiality analysis, scope 3 covered: category 1 – products and services purchased; category 2 – capital equipment; category 3 – emissions related to energy not included in scopes 1 and 2; category 5 – waste management. 2018 was adopted as the base year – the first year for which the carbon footprint was calculated (for scopes 1 and 2). Scope 3 was calculated for the first time for 2022.

The criterion of financial control was adopted as a method of consolidating organisational boundaries.

The total greenhouse gas emissions (location-based) generated by the Wielton Group in 2023 amounted to 411,685 tCO_2e, 10% higher than in 2022. The increase in greenhouse gas emissions in 2023 was driven by an increase in spending on investment projects and the purchase of goods and services (Scope 3 emissions). Scope 1 and 2 greenhouse gas emissions in 2023 have decreased by more than 27% relative to 2022 and by 21% relative to the base year of 2018.

The total volume of (location-based) greenhouse gas emissions at Wielton S.A. in 2023 was 234,733 tCO_2e, 34% higher than in 2022, driven, as in the Wielton Group as a whole, by ongoing investments and purchases of goods and services, which account for a significant proportion of Scope 3 emissions.

When analysing Scope 1 and 2 emissions, there is a decrease by 20% in the volume of emissions relative to 2022 and by almost 6% relative to the base year of 2018.

The initiatives implemented by the Wielton Group to reduce energy consumption and, consequently, greenhouse gas emissions contributed to the decrease in Scope 1 and 2 emissions.

Scope 1 and 2 greenhouse gas emissions at Wielton S.A. and the Wielton Group
[GRI 305-1] [GRI 305-2]

Emission scope	Emission category	Unit	2023		2022		2018 (base year)	
			Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Scope 1	Combustion in mobile sources	tCO_2e	1,830	4,782	1,881	5,397	1,869	5,282
	Combustion in stationary sources	tCO_2e	6,612	7,687	10,053	13,422	6,448	11,718
Total: Scope 1		**tCO2e**	**8,442**	**12,469**	**11,934**	**18,819**	**8,317**	**17,000**
Scope 2	Purchase of electricity (location-based)	tCO_2e	14,513	15,387	16,663	19,437	13,981	16,219
	Purchase of electricity (market-based)	tCO_2e	12,229	14,002	20,010	23,164	13,981	16,219
	Purchase of thermal energy	tCO_2e	-	-	-	-	2,088	2,143
Total: Scope 2 (location-based)		**tCO2e**	**14,513**	**15,387**	**16,663**	**19,437**	**16,069**	**18,362**
Total: Scope 2 (market-based)		**tCO2e**	**12,229**	**14,002**	**20,010**	**23,164**	**16,069**	**18,362**
Total: Scopes 1 & 2 (location-based)		**tCO2e**	**22,955**	**27,856**	**28,597**	**38,256**	**24,386**	**35,362**
Total: Scopes 1 & 2 (market-based)		**tCO2e**	**20,671**	**26,471**	**31,944**	**41,983**	**24,386**	**35,362**

Scope 3 greenhouse gas emissions at Wielton S.A. and the Wielton Group
[GRI 305-3]

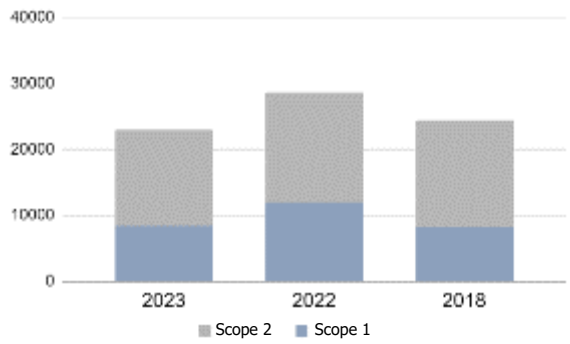
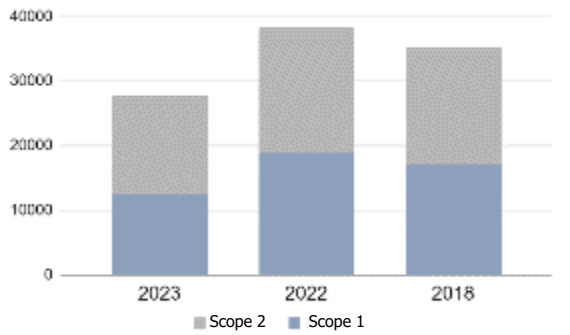
Emission scope	Emission category	Unit	2023		2022	
			Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Scope 3	Cat. 1 – products and services purchased	tCO_2e	**188,973**	**348,479**	**127,777**	**306,841**
	Cat. 2 – capital goods	tCO_2e	**17,479**	**28,841**	**9,968**	**16,282**
	Cat. 3 – energy-related emissions (location-based)	tCO_2e	**5,153**	**6,298**	**8,816**	**12,773**
	Cat. 3 – energy-related emissions (market-based)	tCO_2e	**4,572**	**5,949**	**9,051**	**13,101**
	Cat. 5 – waste*	tCO_2e	**173**	**211**	**197**	**310**
Total: Scope 3 (location-based)		**tCO2e**	**211,778**	**383,829**	**146,758**	**336,207**
Total: Scope 3 (market-based)		**tCO2e**	**211,197**	**383,480**	**146,993**	**336,535**

**Emissions from waste were calculated taking into account the main metal scrap waste which accounts for 63% of the Wielton Group waste*

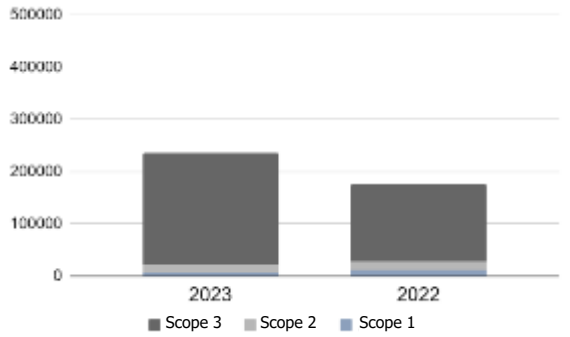
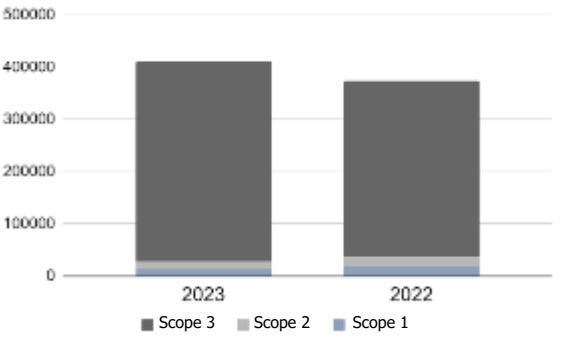
Scope 1, 2 and 3 greenhouse gas emissions at Wielton S.A. and the Wielton Group

Emission scope	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Total: Scopes 1, 2 & 3 (location-based)	**tCO2e**	**234,733**	**411,685**	**175,356**	**374,463**
Total: Scopes 1, 2 & 3 (market-based)	**tCO2e**	**231,868**	**409,951**	**178,937**	**378,518**

Scope 1 and 2 greenhouse gas emissions at Wielton S.A. and the Wielton Group (location-based)

Wielton S.A. [tCO_2e]	Wielton Group [tCO_2e]
	

Scope 1, 2 and 3 greenhouse gas emissions at Wielton S.A. and the Wielton Group (location-based)

Wielton S.A. [tCO_2e]	Wielton Group [tCO_2e]
	

Scope 1 and 2 greenhouse gas emission intensity indicator for Wielton S.A. and the Wielton Group

[GRI 305-4]

Carbon footprint emission intensity indicator Scopes 1 & 2	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Total greenhouse gas emissions (location-based) per unit of product sold	tCO_2e/szt.	2.4	1.3	3.3	1.7
Total greenhouse gas emissions (market-based) per unit of product sold	tCO_2e/szt.	2.2	1.3	3.7	1.8

Scope 1, 2 and 3 greenhouse gas emission intensity indicator for Wielton S.A. and the Wielton Group

[GRI 305-4]

Carbon footprint emission intensity indicator Scopes 1, 2 & 3	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Total greenhouse gas emissions (location-based) per unit of product sold	tCO_2e/szt.	24.6	19.8	20.2	16.2
Total greenhouse gas emissions (market-based) per unit of product sold	tCO_2e/szt.	24.3	19.6	20.6	16.3

Information on the methodology used for calculation and measurement of emissions

The calculations for greenhouse gases were prepared in compliance with the Greenhouse Gas Protocol (GHG Protocol), in accordance with: "A Corporate Accounting and Reporting Standard revised edition, GHG Protocol Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard" and "The Corporate Value Chain (Scope 3) Accounting and Reporting Standard". The calculations include the following greenhouse gases: carbon dioxide, methane, nitrous oxide.

Emissions in scope 2 were calculated using the location-based and market-based methods. Emissions calculated using the market-based approach include the share of renewable energy in the subsidiary, Viberti Rimorchi. For both Polish and foreign companies, the following emission indices were used for calculations using the market-based method: European Residual Mixes Results of the calculation of Residual Mixes for 2022 version 1.0 (supplier mix); EIB Project Carbon Footprint Methodologies version from January 2023. In Polish companies, emission intensity indices published by the National Centre for Emissions Management were used to calculate the carbon footprint using the location-based method. The indicators of the International Energy Agency (IEA grid emission factors) were used for calculations using the location-based method in foreign companies. Ecoinvent 3.9.1 and Exiobase 3 were used for the calculation of scope 3. Additionally, DEFRA 2023 ver. 1.1 indicators were used for some emission sources. 1.1.

Biogenic emissions (not included in scopes 1, 2 and 3) result from the combustion of diesel oil and gasoline with the addition of biofuels. They amounted to 69 tCO_2e for Wielton S.A. and 245 tCO_2e for the Wielton Group.

Air pollution

The main sources of air pollution are the painting and welding processes, so it is in these processes that the Wielton Group is seeking reduction potentials.

By means of research and development projects, the Group also seeks to reduce air pollution by, among other measures, implementing products that reduce the negative impact on the environment, including through the use of hydroforming technology.

In its operations, the Wielton Group monitors the amount of nitrogen oxide, sulphur oxide, volatile organic compounds as well as total dust emitted.

Air pollutants monitored in Wielton S.A. and in the Wielton Group

[GRI 305-7]

Air pollutants	Unit	2023	
		Wielton S.A.	Wielton Group
Substances emitted to the atmosphere:			
Nitrogen oxides (NOx)	t	10.90	10.90
Sulphur oxides (SOx)	t	17.22	17.22
Volatile organic compounds (VOC)	t	135.87	177.62
Non-methane volatile organic compounds (NMVOC)	t	42.58	42.58
Carbon monoxide (CO)	t	8.84	8.84
Total dust	t	10.5	10.5

Air pollutants monitored in: Wielton S.A., Fruehauf (monitoring of volatile organic compounds due to local regulations).

Consumption of materials and components

[GRI 3-3]

Wielton trailers and semi-trailers are manufactured from elements prefabricated at the Wielton Group plants and elements ordered from external manufacturers and suppliers. Due to the nature of the products manufactured by the Wielton Group, the materials and components used in technological processes are highly diverse. Reduction of weight of semi-trailers in terms of the use of raw materials and innovative, ergonomic structures of semi-trailers are in line with the global trend of responsible natural resources management.

The Wielton Group's operations involve the use of hazardous substances (e.g. in painting processes) which are temporarily stored at the premises of Wielton plants. In particular, as a result of activities carried out in production facilities, there is a risk of air, soil, groundwater and surface water pollution, for example in consequence of uncontrolled release of hazardous substances. For this reason, the Wielton Group observes the requirements and procedures aimed at preventing pollution. Processes related to environmental protection, including water and effluents management, emissions, waste generation in Wielton S.A., are regulated by the terms and conditions set out in the integrated permits.

Consumption of materials in Wielton S.A. and in the Wielton Group
[GRI 301-1]

Material type	Unit	2023	
		Wielton S.A.	Wielton Group
Total number of pieces of non-renewable material	**pcs.**	**1,233,457**	**1,366,479**
Total weight of non-renewable materials	**t**	**49,852**	**70,774**
Total weight of renewable materials	**t**	**15,456**	**19,555**

The consumption of materials in the Wielton Group was calculated based on the consumption of materials in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén, Wielton Logistic.

Water and sewage management

In the Wielton Group, water is provided by external suppliers. It is used for utility purposes and, to a small extent, for production purposes – in machining (preparation of a cooling lubricant mixture) and in the paint shop (for wet painting). Despite its limited use for production purposes, water plays an important role in the Wielton Group's technological processes, supporting the efficiency and quality of production.

Water intake in m³ in Wielton S.A. and in the Wielton Group

[GRI 303-3]

Water intake	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Municipal water supply	m^3	48,244	71,921	53,508	101,964
Groundwater	m^3	0	410	0	450
From other sources	m^3	0	271	0	289
Total water intake	**m3**	**48,244**	**72,602**	**53,508**	**102,703**

Water intake in the Wielton Group was calculated based on the consumption of materials in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén. Water intake from the municipal water supply system is reported on the basis of agreements with suppliers and invoices.

Effluents management of the Wielton Group includes technological waste water, sanitary sewage and rainwater. The management of processes related to waste water and rainwater in plants is based on regulatory requirements. Effluents are treated in its own effluents treatment plants or are discharged to treatment plants operated by third parties. As regards water and effluents management, technological waste water poses a major threat to the environment due to its pollution load. Prior to discharging effluents to a treatment plant, they are subject to additional pre-treatment processes. Control mechanisms are also implemented as part of technological processes to monitor the quality and quantity of effluents discharged.

Wielton S.A. operates a plant for treating wastewater from the paintshop of Plant 1, which uses a closed industrial water circuit and allows a reduction in pollution of up to 95%. The treated water goes back into production. The plant reduces water consumption in industrial processes and the amount of wastewater generated.

Discharge of water and effluents (m³) in Wielton S.A. and in the Wielton Group

[GRI 303-4]

Water and effluents discharge	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
to surface water	m^3	0	271	0	289
to groundwater	m^3	0	410	0	450
to the municipal water and sewage system	m^3	48,244	53,258	53,886	102,342
Total water and effluents discharge	**m3**	**48,244**	**53,939**	**53,886**	**103,081**

The discharge of water and effluents in the Wielton Group was calculated based on the consumption of materials in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén. The discharge of water and effluents to the municipal water and sewage system is reported on the basis of agreements with customers and invoices.

Waste management

[GRI 3-3] [GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Waste generation

The Wielton Group generated a total of 15,160 tonnes of waste in 2023, including 1,083 tonnes of hazardous waste and 14,077 tonnes of non-hazardous waste. Scrap iron was the main stream of all waste, amounting to 8,572 tonnes and accounting for 56% of all waste and 61% of non-hazardous waste. Paint and varnish waste, including sludge, was the main stream among hazardous waste, amounting to 642 tonnes, or 59% of all hazardous waste.

In 2023, a total of 11,607 tonnes of waste (874 tonnes of hazardous waste and 10,733 tonnes of non-hazardous waste) were generated by Wielton S.A.'s operations. The main stream of all waste generated by Wielton S.A. in 2023 was scrap iron (7,297 tonnes) which accounts for 63% of all waste and 68% of non-hazardous waste. As part of the hazardous waste generated, the main stream was paint and varnish waste (including sludge) which was generated in 2023 in the amount of 478 tonnes (55% of all hazardous waste).

In Wielton S.A., sludge which, due to its high content of hazardous substances, cannot be discharged to the sewer system, is delivered as hazardous waste to an authorised recipient of waste.

Currently, in addition to updating its permits for the use of the environment, Wielton S.A. is applying for environmental permits for waste treatment, which will contribute to reducing emissions, the amount of final waste generated and the financial aspects of the waste management process.

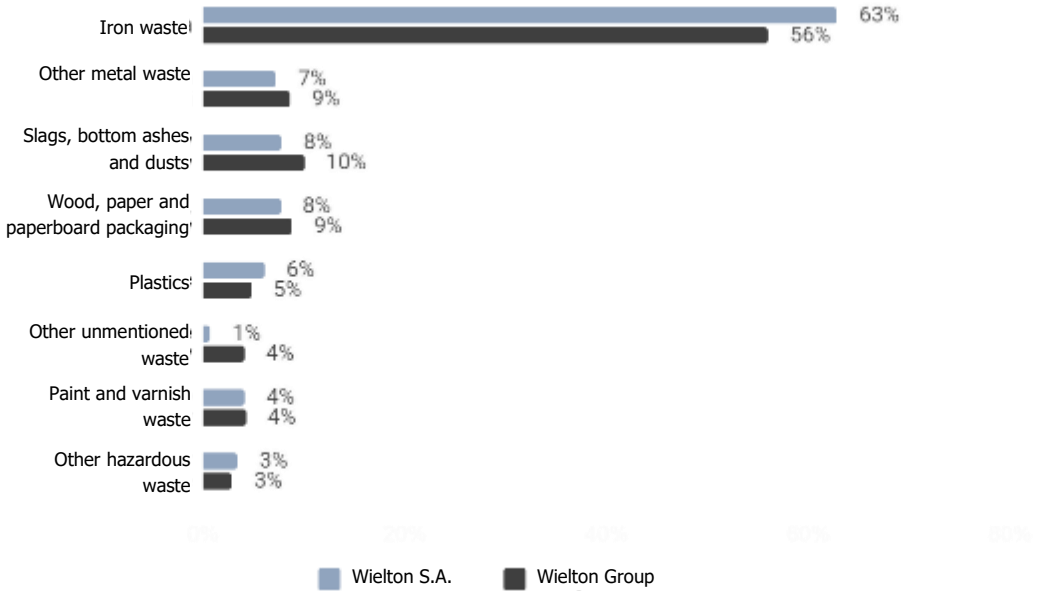
In 2023, two new investment projects were launched:

- press to reduce waste after the flotation process – a reduction of up to 50%,
- a facility for the distillation of waste from the painting process, whereby 75% of the solvent can be recovered for reuse in the production process.

Waste generated by Wielton S.A. and the Wielton Group in 2023, broken down by type
[GRI 306-1] [GRI 306-3]

Waste	Unit	2023		2022	
		Wielton S.A.	Wielton Group	Wielton S.A.	Wielton Group
Total non-hazardous waste generated	**t**	**10,733**	**14,077**	**10,670**	**15,981**
Total hazardous waste generated	**t**	**874**	**1,083**	**782**	**1006**
Total waste generated	**t**	**11,607**	**15,160**	**11,452**	**16,987**

Waste generated by Wielton S.A. and the Wielton Group in 2023, broken down by type as a percentage



Waste generated by the Wielton Group was calculated on the basis of waste records in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén.

Waste management

[GRI 3-3] [GRI 306-2] [GRI 306-4] [GRI 306-5]

All waste management operations carried out by the Wielton Group are in line with regulatory requirements. In 2022, Wielton S.A. mapped all production processes, which allowed a full inventory of the sources of waste generation. All waste containers have been inventoried and adapted to the locations where they should be placed, considering the production process performed. Waste generated by the Wielton Group is temporarily stored in a manner limiting its negative impact on the environment and then it is transferred for disposal or recovery.

Wielton S.A. runs fully recorded management of waste. Waste that is suitable for recovery (including scrap iron which accounts for 63% of all waste) is transferred for further use. Steel and aluminium elements which are wasted from the production process are intended for re-use in technological processes. If recovery is not possible, waste is transferred for disposal in accordance with the relevant environmental standards. Packaging of paints, solvents and varnishes is received by the manufacturer (return of contaminated packaging) or transferred to a waste processing company.

Wielton S.A. places great emphasis on education and maintaining high environmental standards. This is achieved through initiatives taken both inside and outside the organisation. These measures are manifested, among other things, in a clear and transparent waste segregation process, supported by visualisation and dedicated waste containers. All employees are trained in the principles of correct waste segregation. The waste segregation process takes place in both the production and office areas.

In the waste storage areas, Wielton S.A. has introduced presses to reduce the volume of transported waste. This contributes to a reduction in the volume of the logistics processes carried out and thus the negative impact on the environment.

TAXONOMY

INTRODUCTION
TAXONOMY-ELIGIBLE ACTIVITIES
ACTIVITIES ALIGNED WITH TAXONOMY CRITERIA
CALCULATION AND PRESENTATION OF KEY INDICATORS

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI GUILLÉN ABERG

Introduction

The Wielton Group is required to disclose information in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter: "Regulation 2020/852"). In this Report, as in the previous year, the disclosures fulfil for the first time the obligation to demonstrate to what extent the activity of the Wielton Group is environmentally sustainable, namely:

- it contributes substantially to one or more of the environmental objectives set out in Regulation 2020/852;
- it causes no harm to any of the other environmental objectives;
- it is carried out in accordance with the minimum safeguards.

The technical screening criteria applicable to the Wielton Group's operations are set out in: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, as amended (hereinafter: "Technical criteria", "Regulation 2021/2139") and in Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (hereinafter: "Technical criteria", "Regulation 2023/2486").

The aforementioned obligation includes an indication of the percentage of turnover generated by the sale of products or services related to the activities of the Wielton Group that are covered by the Taxonomy or environmentally sustainable (hereinafter also referred to as: "Taxonomy-aligned") and the percentage of capital expenditure (CapEx) and operational expenditure (OpEx) corresponding to the assets or processes related to environmentally sustainable economic activities (hereinafter: "key performance indicators", "key indicators", "KPIs").

The disclosures in this Report have been prepared in accordance with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, as amended (hereinafter: "Regulation 2021/2178").

The aforementioned Regulations are hereinafter also referred to collectively as the Taxonomy.

As in the previous year, the Group's activities are Taxonomy-eligible to a small extent. The list of Taxonomy-eligible activities may change in the future. The European Union may include other activities in the scope of taxonomic disclosures, which may mean that further activities of the Group will be covered by the Taxonomy.

Taxonomy-eligible activities

In 2023, the Wielton Group reassessed its economic activities in terms of their eligibility for the Taxonomy.In 2023, the review was carried out for six environmental objectives, i.e. climate change mitigation; climate change adaptation (hereinafter jointly referred to as the "climate objectives"); the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems.

An economic activity is Taxonomy-eligible regardless of whether that economic activity fulfils the Technical Criteria.

In order to determine which activities of the Wielton Group are Taxonomy-eligible, a review of activities in terms of their description provided in the Taxonomy has been carried out, including, in auxiliary, the use of NACE codes.

The assessment of the Group's activities identified 10 Taxonomy-eligible activities.

Seven Taxonomy-eligible economic activities of the Wielton Group are linked to the environmental objective of climate change mitigation:

- 4.1 Electricity generation using solar photovoltaic technology – the activity generates electricity using solar PV technology;
- 4.25 Production of heat/cool using waste heat – The Group produces heat/cool using waste heat;
- 5.5 Collection and transport of non-hazardous waste in source segregated fractions – All separately collected and transported non-hazardous waste that is segregated at source is intended by the Group for preparation for reuse or recycling operations;
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles – in 2023, the Wielton Group purchased electric cars and replaced part of its car fleet with hybrid cars under a leasing contract;
- 6.6 Freight transport services by road (insofar as they relate to EURO VI stage E) vehicles – in 2023, the Group incurred costs related to the maintenance of the fleet used for road freight transport (repairs);
- 7.1. Construction of new buildings – a storage hall was being built in 2023;
- 7.3 Installation, maintenance and repair of energy efficiency equipment – in 2023, light sources were replaced at the Wielton Group (with energy-saving lamps) and a device was installed to regulate energy consumption in the painting process.

Two Taxonomy-eligible economic activities of the Wielton Group are linked to the environmental objective of the circular economy:

- 5.3. Preparation for re-use of end-of-life products and product components – at the customer's request, the Group dismantles used semi-trailer bodies and assembles new bodies on the old chassis;
- 5.4. Sale of second-hand goods – the Group sells used semi-trailers as part of its operations, including the implementation of the Buyback programme (repurchase of used semi-trailers from customers for resale).

One Taxonomy-eligible economic activity of the Wielton Group are linked to the environmental objective of pollution prevention:

- 2.1. Collection and transport of hazardous waste – The Group compacts the post-flotation waste (generated after the painting process), which is then collected, by a waste management company, and disposed of in the R1 process.

Other activities carried out by the Wielton Group do not fall within the scope of the Technical Criteria in particular manufacture of trailers, semi-trailers and rigid bodies. It is worth noting that the Wielton Group implements innovative solutions and conducts research and development works to support the transformation in transport, but these activities are not included in the scope of the Taxonomy.

Activities aligned with Taxonomy Criteria

In determining compliance of the Taxonomy-eligible activities within the Wielton Group, the fulfilment of the criteria of significant contribution and the criteria of causing no significant environmental harm to any of the other environmental objectives has been assessed. An assessment of the fulfilment of minimum safeguards on procedures to ensure compliance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (including the principles and rights laid down in eight fundamental conventions set out in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work) and the principles and rights set out in the International Charter of Human Rights has also been carried out.

In 2023, under current legislation, an assessment of the fulfilment of the Technical Criteria for substantial contribution is only required for activities subject to climate targets.

Substantial contribution and requirements of Technical Criteria

The Taxonomy establishes various criteria of substantial contribution for eligible activities. The following describes how compliance with these criteria has been assessed for individual activities:

- For activities: 4.1. Electricity generation using solar photovoltaic technology and 4.25. Production of heat/cool using waste heat, Regulation 2021/2139 has not introduced substantial contribution criteria, as the very conduct of such activities suffices for them to qualify. Hence, the Wielton Group's activities listed above make a substantial contribution to climate change mitigation.

- For activity 5.5 Collection and transport of non-hazardous waste in source segregated fractions, the fulfilment of the Technical Criteria for substantial contribution, which require source segregation of non-hazardous waste for re-use or recycling, has been assessed. In the Group’s opinion, the requirements concerning substantial contribution have been met, but for some activities.

- For activity 7.3. Installation, maintenance and repair of energy efficiency equipment, the energy efficiency class of the listed light sources was assessed.

As regards activities 6.6, 6.5, 7.1 and part of activity 7.3, as it was not possible to document that these activities meet the Technical Criteria (relating to the detailed specification of the vehicles, the energy performance of the building and the energy efficiency class of the equipment), the activities were presented as Taxonomy-eligible but not Taxonomy-aligned, which may change in the future.

Do no significant harm criteria

The DNSH (Do no significant harm criteria) criteria are designed to ensure that economic activities do no significant harm to the other environmental objectives. Those criteria for sustainable activities relate in particular to: climate

change adaptation, the sustainable use and protection of water and marine resources, a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The Wielton Group analysed the criteria of causing no significant harm related to all economic activities that meet the criteria of significant contribution. That analysis took into account the specific nature of the economic activity concerned and the criteria applicable to it, such as the assessment of durability of the equipment used and its recyclability.

Selected DNSH criteria were not applicable for some of the activities.

Minimum safeguards

One of the requirements for declaring company activities to be Taxonomy-aligned is to conduct economic activities in accordance with the minimum safeguards, i.e. in such a way as to ensure compliance with international guidelines on the following areas: human rights, corruption and bribery, taxation and fair competition. In order to facilitate the assessment of business processes and procedures, the Platform On Sustainable Finance issued a report entitled: *Final Report on Minimum Safeguards*, where it included its recommendations.

Responsible business conduct corresponds to the organisational culture of the Wielton Group. The standards of responsible conduct also underpin the Group's relationships with suppliers and other business partners. It should also be emphasised that the activities of the Wielton Group in the area of due diligence are constantly developed and adapted to the applicable regulations and to the needs notified by stakeholders.

In addition to the general assessment of internal solutions implemented at the company, in accordance with the aforementioned indications, it is necessary to check for breaches in four of the above areas of minimum safeguards. In 2023, no final court decisions were issued regarding the above issues with respect to the Group companies, as well as no entries were made in the registers of the OECD National Contact Point and the Business and Human Rights Resource Centre (BHRRC).

More information on due diligence and other areas related to the minimum safeguards can be found in the dedicated sections of this Report.

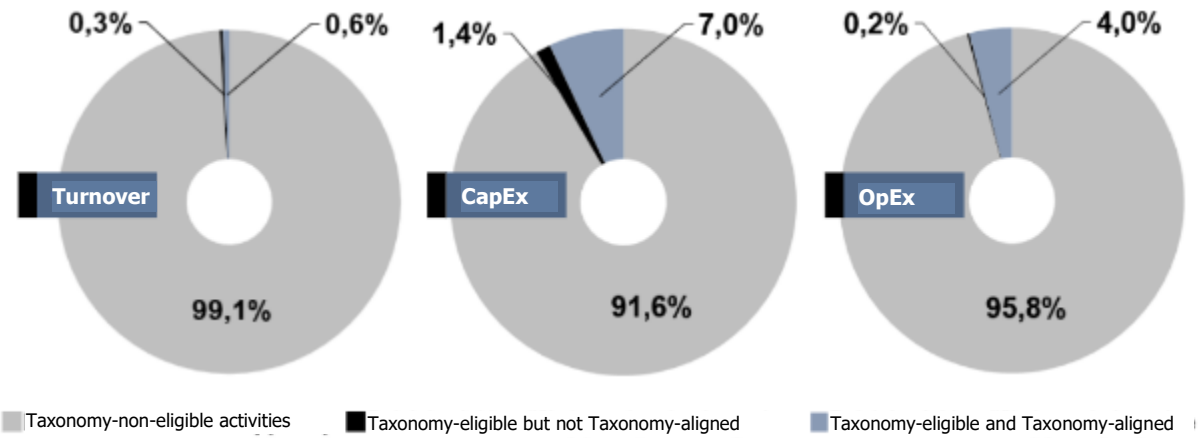
Calculation and presentation of key indicators

The activities included in the tables at the end of this chapter relate to Taxonomy-eligible or Taxonomy-aligned activities which generate revenue or for which capital expenditure or operational expenditure has been incurred.

Key performance indicators have been established in accordance with the provisions of Regulation 2021/2178.

In order to calculate the proportion of turnover, capital expenditure (CapEx) or operating expenditure (OpEx) that is covered by the Taxonomy or associated with environmentally sustainable activities, the same accounting principles were applied as those used to prepare the consolidated annual financial statements of the Wielton Group. The calculation of the key performance indicators for the Group took into account the relevant consolidation eliminations applied in the preparation of the financial statements. Intra-group sales were excluded in determining the key indicators. No financial item was taken into account more than once, eliminating the risk of double counting. The Group also operates outside Poland, including in the area of eligible activities. All activities were included in the calculation and assessed for their alignment with the Taxonomy. The Parent Company of the Wielton Group supervised the process of preparing key indicators by verifying the financial data related to the environmentally sustainable activities.

Summary of Taxonomy-eligible and Taxonomy-aligned activities in the Wielton Group



Turnover KPI

The key performance indicator related to turnover was determined by dividing net revenue from sales of products or provision of services related to the Group's Taxonomy-eligible or Taxonomy-aligned economic activity by the Group's consolidated revenue. The basis for the calculation of the key turnover indicator was the Group's consolidated revenue for 2023 disclosed in the consolidated financial statements under Sales revenue, as described in Note 7.1 to the Consolidated Financial Statements for 2023.

The key turnover indicator was calculated on the basis of financial data on the sale outside the Group of environmentally sustainable products and services.

The Company does not present a breakdown of the numerator of the turnover KPI into lease revenue and other revenue as 100% of the Group's sales revenue (earned from sustainable activities) relates to sales contracts with external customers.

CapEx KPI

The key indicator related to capital expenditure was calculated by dividing the sum of capital expenditures incurred on Taxonomy-eligible or environmentally sustainable activities by the total capital expenditure of the Wielton Group.

With respect to capital expenditure, the basis for the calculation of the key indicator was the Group's capital expenditure comprising an increase in property, plant and equipment, intangible assets, investment properties and right-of-use assets along with capitalisation of borrowing costs, recognised in the Consolidated Financial Statements for 2023 and described in Note 9.1.

The Company does not present a breakdown of the numerator of the CapEx KPI due to the fact that 100% of the increases in sustainable activities relate to fixed assets.

OpEx KPI

The key indicator related to operational expenditure was calculated by dividing the sum of operational expenditures related to Taxonomy-eligible or sustainable activities by the total expenditure mentioned in the Taxonomy. According to the Taxonomy, not all expenditure of an operational nature meets the requirements for OpEx costs within the meaning of the Taxonomy.

The basis for determining the key indicator was the Group's operational expenditure comprising direct non-capitalised costs of R&D, building renovation activities, short-term leases, maintenance and repairs, and any other direct expenses relating to the day-to-day operation of property, plant and equipment. When determining direct expenses related to the day-to-day operation of items of property, plant and equipment, account was taken of maintenance costs, in particular costs of maintenance and repair of machinery, costs of maintenance materials, IT costs dedicated to maintenance, servicing costs.

The Company does not present a breakdown of the numerator of the OpEx KPI due to the fact that 100% of OpEx relates to maintenance and repair costs.

Presentation of key performance indicators

As the economic activities to which Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities, do not apply to the activities of the Wielton Group, this Report omits the templates of tables contained in that Regulation.

Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

The following tables contain the key performance indicators required by Regulation 2021/2178:

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria "Do no significant harm"									
Economic activities (1)	Code(s) (2)	Turnover (3) [PLN ` 000]	Proportion of Turnover, year 2023 (4) [%]	Climate change mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and marine resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and marine resources (13) [Y/N]	Pollution (14) [Y/N]	Circular economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	Proportion of Taxonomy-aligned (A.1.) or - eligible (A.2.) turnover, year 2022 (18) [%]	Category Enabling activity (19) [E]	Category Transitional activity (20) [T]
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITY																			
A.1. Environmentally sustainable economic activities (Taxonomy-aligned)																			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	18,041.23	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		18,041.23	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		
Of which Enabling		0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which transitional		0.00	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	402.72	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Preparation for re-use of end-of-life products and product components	CE 5.3	1,247.71	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Sale of second-hand goods	CE 5.4	8,838.34	0.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		10,488.78	0.3%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%								0.1%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		28,530.00	0.9%	0.6%	0.0%	0.0%	0.0%	0.3%	0.0%								0.1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		3,196,693.36	99.1%																
Total (A+B)		3,225,223.37	100%																

Explanations to the table:

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- climate change mitigation: CCM
- climate change adaptation: CCA
- water and marine resources: WTR
- circular economy: CE
- pollution prevention and control: PPC
- biodiversity and ecosystems: BIO

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.6%	0.6%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.3%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria "Do no significant harm"									
Economic activities (1)	Code(s) (2)	CapEx (3) [PLN ' 000]	Proportion of CapEx, year 2023 (4) [%]	Climate change mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and marine resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and marine resources (13) [Y/N]	Pollution (14) [Y/N]	Circular Economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	[22]	Category Enabling activity (19) [E]	Category Transitional activity (20) [T]
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITY																				
A.1. Environmentally sustainable economic activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	CCM 4.1	13,341.76	6.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.2%			
Production of heat/cool using waste heat	CCM 4.25	180.90	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	51.74	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		13,574.40	7.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	1.2%			
Of which Enabling		51.74	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		E	
Of which transitional		0.00	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%			Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**											
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,257.12	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Freight transport services by road	CCM 6.6	0.00	0.0%														2.3%			
Construction of new buildings	CCM 7.1	1,356.78	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	133.35	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Collection and transport of hazardous waste	PPC 2.1	70.40	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,817.65	1.4%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%								2.3%			
A. CapEx of Taxonomy eligible activities (A.1+A.2)		16,392.06	8.4%	8.4%	0.0%	0.0%	0.0%	0.0%	0.0%								3.5%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		178,753.94	91.6%																	
Total (A+B)		195,146.00	100%																	

Explanations to the table:

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- climate change mitigation: CCM
- climate change adaptation: CCA
- water and marine resources: WTR
- circular economy: CE
- pollution prevention and control: PPC
- biodiversity and ecosystems: BIO

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	7.0%	8.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria "Do no significant harm"									
Economic activities (1)	Code(s) (2)	OpEx (3) [PLN ' 000]	Proportion of OpEx, year 2023 (4) [%]	Climate change mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and marine resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and marine resources (13) [Y/N]	Pollution (14) [Y/N]	Circular Economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category Enabling activity (19) [E]	Category Transitional activity (20) [T]
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITY																			
A.1. Environmentally sustainable economic activities (Taxonomy-aligned)																			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	1,218.14	4.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,218.14	4.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.1%		
Of which Enabling		0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which transitional		0.00	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Freight transport services by road	CCM 6.6	71.03	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		71.03	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		1,289.17	4.2%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%								0.1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		29,550.80	95.8%																
Total (A+B)		30,839.96	100%																

Explanations to the table:

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- climate change mitigation: CCM
- climate change adaptation: CCA
- water and marine resources: WTR
- circular economy: CE
- pollution prevention and control: PPC
- biodiversity and ecosystems: BIO

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	4.0%	4.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

ABOUT THE REPORT

INFORMATION ABOUT THE REPORT
DEFINING MATERIALITY

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI GUILLÉN ABERG

Information about the Report
[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5] [GRI 2-14]

This Report contains non-financial information on environmental, employee, social and corporate governance issues related to the parent company Wielton S.A. with its registered office in Wieluń and the Wielton Group (in this Report referred to as the "Wielton Group", the "Group"). The non-financial report of Wielton S.A. and the Wielton Group is published on an annual basis. This Report covers the period of operation from 1 January to 31 December 2023.

The Report has been prepared in accordance with the Global Reporting Initiative standards (GRI standards) as published in 2021. Non-financial data disclosed in the Report take into account the requirements of the Accounting Act of 29 September 1994 and include disclosures on revenue, capital expenditure and operating expenditure arising from the following regulations collectively referred to as the "Taxonomy":

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, as amended;

- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities;

- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, as amended.

The non-financial report of Wielton S.A. and the Wielton Group has not been externally verified.

In 2023, structural changes took place in the Wielton Group, which affected the scope of non-financial information disclosed. The parent company, Wielton S.A., established four companies: Aberg Service Sp. z o.o., Wielton Agro Sp. z o.o., Wielton Reefer Sp. z.o.o., SLT1 Sp. z o.o. and Wielton Distribution Center Sp. z o. o.. In addition, a new company, Wielton Slovakia s.r.o. (a form of limited liability company) with its registered office in Bratislava, Slovakia, was registered, and Wielton S.A. acquired 100% of the company's shares. Aberg Service, Wielton Reefer and Wielton Slovakia were included in non-financial reporting for 2023, which means that the data for 2023 disclosed in this Report are not fully comparable to the non-financial data from previous reporting years.

All information, data and disclosures presented in this Report refer to Wielton S.A. and subsidiaries owned by the Wielton Group. The information designated with the term "Wielton Group" generally relates to all companies in the Wielton Group excluding Aberg Axles (including Aberg Axles GmbH), Wielton Agro, Wielton Distribution Center and SLT1, unless it is explicitly stated that the disclosure only covers selected Wielton Group companies. Details of the companies included in individual non-financial indicators are presented in the *GRI Index* table. Aberg Axles, Wielton Agro and SLT1 have been excluded due to low materiality of the data.

Additionally, due to the application of the proportionality principle to non-financial information, the scope of data consolidation for individual GRI indicators may be different. In particular, it was assumed for environmental

indicators that the reported indicators include companies with the greatest impact on a given area in 2023. This may affect the comparability of data between reporting periods only to a negligible extent.

The non-financial report was published on 25 April 2023. Should you have any questions regarding this Report and the information contained herein, please contact Monika Hojan (m.hojan@wieltongroup.com).

Process for defining materiality

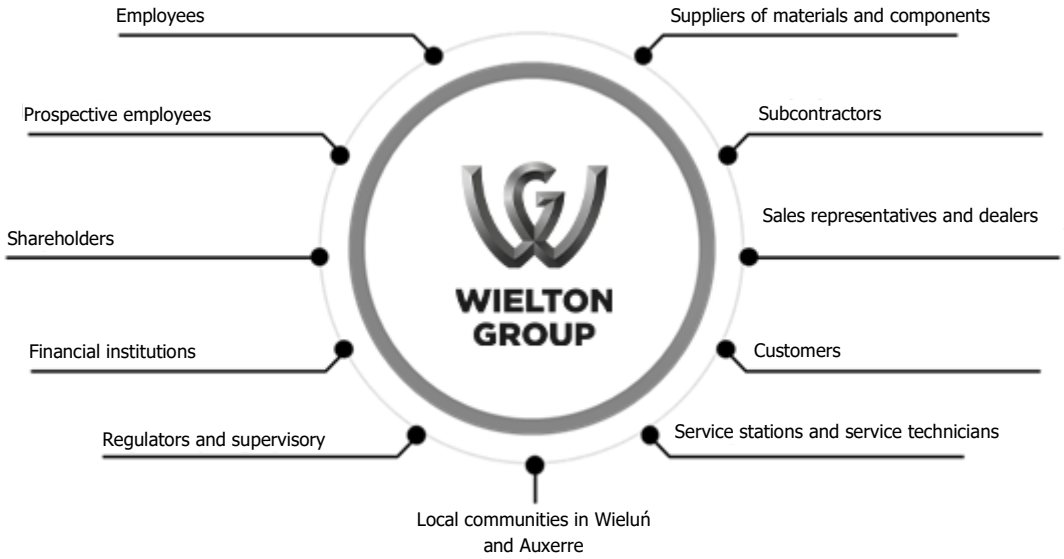
Key stakeholders of the Wielton Group

[GRI 3-3] [GRI 2-12] [GRI 2-29]

Relations with stakeholders, based on mutual understanding and trust, are key to the operation of the Wielton Group as an organisation that takes responsibility for its impact on the natural environment, the economic environment and the social environment. Stakeholder relations are built in a permanent manner, and meeting the expectations of stakeholders has an impact on the long-term development strategy of the Group.

The Wielton Group identifies eleven stakeholder groups on which it has a significant influence and which have a significant impact on the Wielton Group. Internal stakeholders of the Wielton Group are: employees, service stations and service technicians, as well as sales representatives and dealers. External stakeholders include: financial institutions, regulators and supervisory authorities, suppliers of materials and components, subcontractors, prospective employees, customers, shareholders and local communities, especially in Wieluń (Poland) and Auxerre (France).

Key stakeholders of the Wielton Group



The Wielton Group regularly engages in a dialogue with key stakeholders through the implemented communication channels. Internal communication takes place as part of the Internal Communication Strategy and includes regular team meetings, employee associating initiatives and communication channels, such as information boards, published magazines and internal platforms (for more information, see pages 46–58).

Communication with external stakeholders takes place both in the form of activities required by the law, i.e. through publishing information in current and periodic reports, and numerous additional activities. Wielton S.A. is in regular contact with shareholders and provides them with current information on sales and financial results, implemented investment projects and other important events directly affecting the operations of the Company and the Group, for example at dedicated conferences.

The Wielton Group communicates with stakeholders also via its website: https://wieltongroup.com/relacje-inwestorskie. It contains up-to-date information on the Company's share price on the Warsaw Stock Exchange, the shareholder structure, current and periodic reports, result presentations and basic financial data.

Wielton S.A. is committed to communication on social media and on websites of its brands in order to inform customers about the Group's activities or to promote the Company among prospective candidates for work. Communication channels for local communities include press releases, media interviews, social media, charity events, as well as sports and educational initiatives. The Wielton Group also regularly communicates with suppliers of materials and components and subcontractors during face-to-face meetings or audits.

Materiality analysis

[GRI 3-1] [GRI 3-2] [GRI 3-3]

As part of the work on this Report, we have analysed the impact of the Wielton Group on the environment, including the society, the natural environment and the economy, and how sustainable development issues affect the Wielton Group (including financial impact). As a result of the materiality analysis, 12 issues were identified where the Group has a significant impact on the environment, or where a given area significantly affects the Group. A detailed description of the impact and the approach to managing these issues, together with the corresponding indicators, are presented in the relevant chapters of this Report.

In accordance with the adopted methodology, the analysis was carried out from the perspective of Wielton S.A. and the Wielton Group. An assessment of the impact and the probability of its occurrence in the short and medium term (up to 5 years) was carried out.

A table describing the material topics is presented below:

	Material topics	Significant environmental impact	Positive/negative impact	Potential/actual impact	Impact materiality	Financial materiality
Natural environment	**Greenhouse gas emissions**	The Wielton Group has a significant impact on the level of greenhouse gas emissions in its own operations and an indirect impact on the emissions in its value chain. The Wielton Group takes measures to reduce the negative environmental impact of its emissions in the long term.	Negative impact	Actual impact		
	Energy consumption	The Wielton Group has a significant impact on energy consumption in its own operations. By taking measures to reduce electricity consumption and increase the share of renewable energy in its production processes, the Wielton Group reduces the negative environmental impact of its activities.	Negative impact	Actual impact		
	Effluents	Production processes generate process wastewater with pollutant load. Prior to discharging effluents to a treatment plant, they are subject to additional pre-treatment processes. Control mechanisms are also implemented as part of technological processes to monitor the quality and quantity of effluents discharged.	Negative impact	Actual impact		
	Waste	The Wielton Group has a significant impact on the amount of waste generated in its own operations.	Negative impact	Actual impact		
		The Wielton Group actively manages waste, including through inventory, proper storage, segregation for	Positive impact	Actual impact		

	Material topics	Significant environmental impact	Positive/negative impact	Potential/actual impact	Impact materiality	Financial materiality
		further use. As a result, a large proportion of waste is reused.				
	Circular economy	The activities of Wielton involve a high demand for materials and components used in production processes (use of natural resources).	Negative impact	Actual impact		
		Wielton undertakes measures to adapt to circular economy. The majority of generated waste is reused (iron scrap).	Positive impact	Actual impact		
Social issues	**Occupational health and safety**	Production activities involve the risk of accidents at work, including accidents with serious consequences. The Wielton Group mitigates the negative impact in this regard through the educational measures taken and the protective measures implemented.	Negative impact	Actual impact		
	Recruitment of candidates for work	Creation of employment opportunities for local communities resulting in reduced local unemployment. The development of the Wielton Group contributes to increasing the level of employment and ensuring decent employment conditions.	Positive impact	Actual impact		
		Difficulties in acquiring qualified staff in all markets in which Wielton operates may adversely affect the Group's operations or generate additional costs related to the employment and maintenance of qualified employees.	Negative impact	Potential impact		

	Diversity and equal pay	The need to comply with diversity requirements in governing bodies as well as equal pay requirements may entail additional costs for some companies in the Wielton Group.	Negative impact	Potential impact		
	Development of employee competences	The Wielton Group offers employees a wide range of training courses, both professional and related to soft skills. As a result, employees can significantly increase their competences and acquire professional qualifications.	Positive impact	Actual impact		
	Product safety and quality	The Wielton Group identifies risks related to the quality and safety of using its products and to potential claims or complaints in this respect.	Negative impact	Potential impact		
Corporate governance	**Compliance with ethical standards**	Potential risk of breaches of applicable ethical standards or corrupt actions in the Wielton Group or its value chain.	Negative impact	Potential impact		
	Respect for human rights, including employee rights	Failure to respect human rights in the Wielton Group's value chain (downstream and upstream) and cases that violate the Wielton Group's policies and values, as well as ethical principles.	Negative impact	Potential impact		

Scale of impact and financial materiality assessment used:

Low **Medium** **High**

GRI INDEX

This Report has been prepared in accordance with the Global Reporting Initiative Standards (GRI) 2021.

GRI	Disclosure name	Reference to page in the Report	Comment
GRI 2: General Disclosures 2021			
GRI 2-1	Organisational details	7, 94-95	
GRI 2-2	Entities included in sustainability reporting	94-95	
GRI 2-3	Reporting period, frequency and contact point	94-95	
GRI 2-4	Restatements of information contained in previous reports	94-95	
GRI 2-5	External assurance	94-95	
GRI 2-6	Activities, value chain and other business relationships	7, 11, 14-18	
GRI 2-7	Employees	37-39	
GRI 2-8	Workers who are not employees	38-49	
GRI 2-9	Governance structure	23-25	
GRI 2-10	Nomination and selection of the highest governance and supervisory body	24	
GRI 2-11	Chair of the highest governance and supervisory body	23-25	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	27, 95-96	
GRI 2-13	Delegation of responsibility for managing impacts	27	
GRI 2-14	Role of the highest governance body in sustainability reporting	94-95	
GRI 2-15	Conflicts of interest	27	
GRI 2-16	Communication of critical concerns	30, 32-35	
GRI 2-17	Collective knowledge of the highest governance body	24	

GRI	Disclosure name	Reference to page in the Report	Comment
GRI 2-18	Evaluation of the performance of the highest governance body	25	
GRI 2-19	Remuneration policy	26	
GRI 2-20	Process to determine remuneration	26	
GRI 2-21	Annual total compensation ratio	41	
GRI 2-22	Statement on sustainable development strategy	4	
GRI 2-23	Policy commitments	27-29	
GRI 2-24	Embedding policy commitments	27-29	
GRI 2-25	Processes to remediate negative impacts	27-29	
GRI 2-26	Mechanisms for seeking advice and raising concerns	30	
GRI 2-27	Compliance with laws and regulations	30	
GRI 2-28	Membership associations	13	
GRI 2-29	Approach to stakeholder engagement	95-96	
GRI 2-30	Collective bargaining agreements	51	Applicable to the following companies: Langendorf, Fruehauf, Viberti Rimorchi, Guillen Desarrollos Industriales, Africa SARL and Wielton Belarus. Employees in other companies are not covered by collective bargaining agreements.
GRI 3: Material Topics 2021			
GRI 3-1	Process to determine material topics	96	
GRI 3-2	List of material topics	96-98	
GRI 3-3	Management of material topics	27-29, 32-35, 37, 39, 41, 66, 76, 78-79, 95-96	
GRI 205: Anti-Corruption 2016			

GRI	Disclosure name	Reference to page in the Report	Comment
GRI 205-3	Confirmed incidents of corruption and actions taken	29	
GRI 301: Materials 2016			
GRI 301-1	Materials used by weight or volume	76	The consumption of materials in the Wielton Group was calculated based on the consumption of materials in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén, Wielton Logistic.
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organisation	66-68	Total energy consumption in the Wielton Group was calculated based on energy consumption in the following companies: Wielton S.A., Lawrence David, Viberti Rimorchi, Langendorf, Fruehauf, Wielton Russia (including Wielton Kazakhstan), Wielton Africa, Wielton Ukraine, Wielton Slovakia, Wielton Belarus, Guillén.
GRI 302-4	Reduction of energy consumption	66-68	
GRI 303: Water 2018			
GRI 303-3	Water withdrawal	77	The discharge of water and effluents in the Wielton Group was calculated based on the consumption of materials in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén.
GRI 303-4	Water and effluents discharge	77	
GRI 305: Emissions 2016			
GRI 305-1	Direct greenhouse gas emissions (Scope 1)	70-71	Emissions from waste were calculated taking into account the main metal scrap waste and effluents.
GRI 305-2	Indirect greenhouse gas emissions (Scope 2)	70-71	
GRI 305-3	Other indirect greenhouse gas emissions (Scope 3)	70-71	
GRI 305-4	Greenhouse gas emissions intensity	70-71, 74	

GRI	Disclosure name	Reference to page in the Report	Comment
GRI 305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	70-71, 75	Air pollutants monitored in: Wielton S.A., Fruehauf (monitoring of volatile organic compounds due to local regulations).
GRI 306: Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	78	Waste generated by the Wielton Group was calculated on the basis of waste records in the following companies: Wielton S.A., Viberti Rimorchi, Langendorf, Fruehauf, Lawrence David, Guillén.
GRI 306-2	Management of significant waste-related impacts	78-79	
GRI 306-3	Waste generated	78	
GRI 306-4	Waste recovered	78-79	
GRI 306-5	Waste directed to disposal	78-79	
GRI 401: Employment 2016			
GRI 401-1	New employee hires and employee turnover	42-43	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	50-51	
GRI 403: Occupational Health and Safety 2018			
GRI 403-1	Occupational health and safety management system	56	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	57-58	
GRI 403-3	Occupational health services	56-57	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	56-59	
GRI 403-5	Worker training on occupational health and safety	59	
GRI 403-6	Promotion of worker health	51, 60	

GRI	Disclosure name	Reference to page in the Report	Comment
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56	
GRI 403-8	Workers covered by an occupational health and safety management system	56-57	
GRI 403-9	Work-related injuries	60-62	
GRI 403-10	Work-related ill health	62	
GRI 404: Training and Education 2016			
GRI 404-1	Average hours of training per year per employee	45	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	46	The performance management process applies to the following companies: Wielton S.A., Wielton Russia, Fruehauf, Langendorf, Aberg Connect, Wielton GmbH and Guillen Desarrollos Industriales. Other Group companies are not covered by this process.
GRI 405: Diversity and Equal Opportunity			
GRI 405-1	Diversity of governance bodies and employees	24, 39-40	
GRI 405-2	Ratio of basic salary and remuneration of women to men	40-41	Wielton Reefer was not included - the company operated from November 2023 making the remuneration data unrepresentative.
GRI 406: Non-Discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	39-40	
GRI 416: Customer health and safety			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	21	

Wieluń, 25 April 2024

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